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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

Unison Health Plan of the Capital Area, Inc.

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 13032 Employer's ID Number 26-0651931

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry District of Columbia

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 05/03/2007 Commenced Business 03/01/2008

Statutory Home Office 1225 I Street NW, Ste 510 (Street and Number), Washington , DC, US 20005 (City or Town, State, Country and Zip Code)

Main Administrative Office 1225 I Street NW, Ste 510 (Street and Number)
Washington , DC, US 20005 (City or Town, State, Country and Zip Code), 412-858-4000 (Area Code) (Telephone Number)

Mail Address 5995 Plaza Drive (Street and Number or P.O. Box), Cypress , CA, US 90630 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 5995 Plaza Drive (Street and Number)
Cypress , CA, US 90630 (City or Town, State, Country and Zip Code), 714-226-3501 (Area Code) (Telephone Number)

Internet Website Address www.unisonhealthplan.com

Statutory Statement Contact Veronica Wang (Name), 714-226-3501 (Area Code) (Telephone Number)
veronica.wang@uhc.com (E-mail Address), 714-226-3899 (FAX Number)

OFFICERS

President, Chief Executive Officer	Karen Marie Johnson	Treasurer	Robert Worth Oberrender
Secretary	Christina Regina Palme-Krizak	Chief Financial Officer	James Edwin Love, III #

OTHER

Michelle Marie Huntley Assistant Secretary

DIRECTORS OR TRUSTEES

Peter Emmerich Gladitsch #	Karen Marie Johnson	Robert Jacob David Menkes

State of DISTRICT OF Columbia	State of MINNESOTA	State of Maryland
County of District of Columbia	County of HENNEPIN	County of Howard

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Karen Marie Johnson President and Chief Executive Officer	Michelle Marie Huntley Assistant Secretary	James Edwin Love, III Chief Financial Officer
Subscribed and sworn to before me this 6th day of February 2014	Subscribed and sworn to before me this 11th day of February 2014	Subscribed and sworn to before me this 27th day of January 2014
Cynthia Clark Housewright	Nancy M. Waskosky	Ina M Jackson

a. Is this an original filing? Yes [X] No [ ]
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

CYNTHIA CLARK HOUSEWRIGHT
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires June 14, 2017

NANCY M. WASKOSKY
NOTARY PUBLIC – MINNESOTA
My Commission Expires Jan. 31, 2015

JURAT

ASSETS

		Current Year			Prior Year
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1.	Bonds (Schedule D)	10,528,031	0	10,528,031	32,571,460
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	0	0	0	0
	2.2 Common stocks	0	0	0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	0	0	0	0
	3.2 Other than first liens	0	0	0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ 0 encumbrances)	0	0	0	0
	4.2 Properties held for the production of income (less $ 0 encumbrances)	0	0	0	0
	4.3 Properties held for sale (less $ 0 encumbrances)	0	0	0	0
5.	Cash ($ 5,748,600 , Schedule E - Part 1), cash equivalents ($ 0 , Schedule E - Part 2) and short-term investments ($ 3,050,468 , Schedule DA)	8,799,068	0	8,799,068	29,051,635
6.	Contract loans, (including $ 0 premium notes)	0	0	0	0
7.	Derivatives (Schedule DB)	0	0	0	0
8.	Other invested assets (Schedule BA)	0	0	0	0
9.	Receivables for securities	0	0	0	0
10.	Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	19,327,099	0	19,327,099	61,623,095
13.	Title plants less $ 0 charged off (for Title insurers only)	0	0	0	0
14.	Investment income due and accrued	57,068	0	57,068	260,079
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	2,268,011
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	0	0	0	0
	15.3 Accrued retrospective premiums	0	0	0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	739	0	739	0
	16.2 Funds held by or deposited with reinsured companies	0	0	0	0
	16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17.	Amounts receivable relating to uninsured plans	0	0	0	0
18.1	Current federal and foreign income tax recoverable and interest thereon	1,976,696	0	1,976,696	0
18.2	Net deferred tax asset	217,369	0	217,369	0
19.	Guaranty funds receivable or on deposit	0	0	0	0
20.	Electronic data processing equipment and software	0	0	0	0
21.	Furniture and equipment, including health care delivery assets ($ 0)	0	0	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23.	Receivables from parent, subsidiaries and affiliates	0	0	0	0
24.	Health care ($ 16,821) and other amounts receivable	589,783	572,962	16,821	234,795
25.	Aggregate write-ins for other than invested assets	0	0	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	22,168,754	572,962	21,595,792	64,385,980
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28.	Total (Lines 26 and 27)	22,168,754	572,962	21,595,792	64,385,980
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.					
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
1.	Claims unpaid (less $ 12,096 reinsurance ceded)	4,561,771	0	4,561,771	29,277,340
2.	Accrued medical incentive pool and bonus amounts	0	0	0	62,500
3.	Unpaid claims adjustment expenses	11,579	0	11,579	546,131
4.	Aggregate health policy reserves, including the liability of $ 0 for medical loss ratio rebate per the Public Health Service Act	0	0	0	0
5.	Aggregate life policy reserves	0	0	0	0
6.	Property/casualty unearned premium reserves	0	0	0	0
7.	Aggregate health claim reserves	0	0	0	784,695
8.	Premiums received in advance	0	0	0	0
9.	General expenses due or accrued	415,298	0	415,298	2,395,277
10.1	Current federal and foreign income tax payable and interest thereon (including $ 0 on realized capital gains (losses))	0	0	0	595,058
10.2	Net deferred tax liability	0	0	0	90
11.	Ceded reinsurance premiums payable	0	0	0	0
12.	Amounts withheld or retained for the account of others	0	0	0	0
13.	Remittance and items not allocated	0	0	0	0
14.	Borrowed money (including $ 0 current) and interest thereon $ 0 (including $ 0 current)	0	0	0	0
15.	Amounts due to parent, subsidiaries and affiliates	345,736	0	345,736	1,163,594
16.	Derivatives	0	0	0	0
17.	Payable for securities	0	0	0	0
18.	Payable for securities lending	0	0	0	0
19.	Funds held under reinsurance treaties (with $ 0 authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)	0	0	0	0
20.	Reinsurance in unauthorized and certified ($ 0) companies	0	0	0	0
21.	Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22.	Liability for amounts held under uninsured plans	47,081	0	47,081	0
23.	Aggregate write-ins for other liabilities (including $ 0 current)	71,326	0	71,326	6,852
24.	Total liabilities (Lines 1 to 23)	5,452,791	0	5,452,791	34,831,537
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26.	Common capital stock	XXX	XXX	1,000	1,000
27.	Preferred capital stock	XXX	XXX	0	0
28.	Gross paid in and contributed surplus	XXX	XXX	34,499,000	59,499,000
29.	Surplus notes	XXX	XXX	0	0
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	(18,356,999)	(29,945,557)
32.	Less treasury stock, at cost:				
	32.1 0 shares common (value included in Line 26 $ 0)	XXX	XXX	0	0
	32.2 0 shares preferred (value included in Line 27 $ 0)	XXX	XXX	0	0
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	16,143,001	29,554,443
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	21,595,792	64,385,980
	DETAILS OF WRITE-INS				
2301.	Unclaimed Property	71,326	0	71,326	6,852
2302.					
2303.					
2308.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2309.	Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above)	71,326	0	71,326	6,852
2501.		XXX	XXX		
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.		XXX	XXX		
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	XXX	350,049	669,076
2.	Net premium income (including $ 0 non-health premium income)	XXX	117,527,147	202,955,552
3.	Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4.	Fee-for-service (net of $ 0 medical expenses)	XXX	0	0
5.	Risk revenue	XXX	0	0
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	117,527,147	202,955,552
	Hospital and Medical:			
9.	Hospital/medical benefits	0	52,361,086	91,454,954
10.	Other professional services	0	17,992,684	40,214,611
11.	Outside referrals	0	0	0
12.	Emergency room and out-of-area	0	8,250,514	17,097,517
13.	Prescription drugs	0	8,756,074	28,940,836
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments, and bonus amounts	0	(60,625)	41,602
16.	Subtotal (Lines 9 to 15)	0	87,299,733	177,749,520
	Less:			
17.	Net reinsurance recoveries	0	1,122,059	0
18.	Total hospital and medical (Lines 16 minus 17)	0	86,177,674	177,749,520
19.	Non-health claims (net)	0	0	0
20.	Claims adjustment expenses, including $ 4,607,617 cost containment expenses	0	7,815,810	8,610,674
21.	General administrative expenses	0	6,550,503	17,247,183
22.	Increase in reserves for life and accident and health contracts (including $ 0 increase in reserves for life only)	0	0	(5,446,000)
23.	Total underwriting deductions (Lines 18 through 22)	0	100,543,987	198,161,377
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	16,983,160	4,794,175
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	254,687	120,618
26.	Net realized capital gains (losses) less capital gains tax of $ (15,742)	0	(33,707)	92
27.	Net investment gains (losses) (Lines 25 plus 26)	0	220,980	120,710
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ 0) (amount charged off $ 0)]	0	0	0
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	17,204,140	4,914,885
31.	Federal and foreign income taxes incurred	XXX	5,849,046	(301,943)
32.	Net income (loss) (Lines 30 minus 31)	XXX	11,355,094	5,216,828
	DETAILS OF WRITE-INS			
0601.		XXX		
0602.		XXX		
0603		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.		XXX		
0702.		XXX		
0703		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.				
2902.				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	29,554,443	24,545,412
34.	Net income or (loss) from Line 32	11,355,094	5,216,828
35.	Change in valuation basis of aggregate policy and claim reserves	0	0
36.	Change in net unrealized capital gains (losses) less capital gains tax of $ 0	0	0
37.	Change in net unrealized foreign exchange capital gain or (loss)	0	0
38.	Change in net deferred income tax	217,459	(90)
39.	Change in nonadmitted assets	16,005	(207,707)
40	Change in unauthorized and certified reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles	0	0
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0
	44.3 Transferred to surplus	0	0
45.	Surplus adjustments:		
	45.1 Paid in	(25,000,000)	0
	45.2 Transferred to capital (Stock Dividend)	0	0
	45.3 Transferred from capital	0	0
46.	Dividends to stockholders	0	0
47.	Aggregate write-ins for gains or (losses) in surplus	0	0
48.	Net change in capital and surplus (Lines 34 to 47)	(13,411,442)	5,009,031
49.	Capital and surplus end of reporting period (Line 33 plus 48)	16,143,001	29,554,443
	DETAILS OF WRITE-INS		
4701.			
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	119,795,158	203,169,847
2.	Net investment income	962,324	131,215
3.	Miscellaneous income	0	0
4.	Total (Lines 1 through 3)	120,757,482	203,301,062
5.	Benefit and loss related payments	111,507,198	180,296,081
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	16,829,413	26,378,913
8.	Dividends paid to policyholders	0	0
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	8,405,058	2,047,763
10.	Total (Lines 5 through 9)	136,741,669	208,722,757
11.	Net cash from operations (Line 4 minus Line 10)	(15,984,187)	(5,421,695)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	26,986,248	2,149,856
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(633)	0
	12.7 Miscellaneous proceeds	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	26,985,615	2,149,856
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	5,500,611	34,668,204
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	0	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	5,500,611	34,668,204
14.	Net increase (decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	21,485,004	(32,518,348)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	(25,000,000)	0
	16.3 Borrowed funds	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	(753,384)	1,582,292
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(25,753,384)	1,582,292
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(20,252,567)	(36,357,751)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	29,051,635	65,409,386
	19.2 End of year (Line 18 plus Line 19.1)	8,799,068	29,051,635

Note: Supplemental disclosures of cash flow information for non-cash transactions:

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	117,527,147	6,272,449	0	0	0	0	0	111,254,698	0	0
2. Change in unearned premium reserves and reserve for rate credit	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of $ 0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	117,527,147	6,272,449	0	0	0	0	0	111,254,698	0	0
8. Hospital/medical benefits	52,361,086	5,604,697	0	0	0	0	0	46,756,389	0	XXX
9. Other professional services	17,992,684	2,169,164	0	0	0	0	0	15,823,520	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	8,250,514	126,891	0	0	0	0	0	8,123,623	0	XXX
12. Prescription drugs	8,756,074	595,211	0	0	0	0	0	8,160,863	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	(60,625)	(835)	0	0	0	0	0	(59,790)	0	XXX
15. Subtotal (Lines 8 to 14)	87,299,733	8,495,128	0	0	0	0	0	78,804,605	0	XXX
16. Net reinsurance recoveries	1,122,059	9,907	0	0	0	0	0	1,112,152	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	86,177,674	8,485,221	0	0	0	0	0	77,692,453	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $ 4,607,617 cost containment expenses	7,815,810	381,999	0	0	0	0	0	7,433,811	0	0
20. General administrative expenses	6,550,503	320,157	0	0	0	0	0	6,230,346	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	100,543,987	9,187,377	0	0	0	0	0	91,356,610	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	16,983,160	(2,914,928)	0	0	0	0	0	19,898,088	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	6,308,901	0	36,452	6,272,449
2. Medicare Supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0
6. Title XVIII - Medicare	0	0	0	0
7. Title XIX - Medicaid	113,452,301	0	2,197,603	111,254,698
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	119,761,202	0	2,234,055	117,527,147
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	119,761,202	0	2,234,055	117,527,147

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	112,614,547	10,220,070	0	0	0	0	0	102,394,477	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	1,109,223	9,597	0	0	0	0	0	1,099,626	0	0
1.4 Net	111,505,324	10,210,473	0	0	0	0	0	101,294,851	0	0
2. Paid medical incentive pools and bonuses	1,875	23,446	0	0	0	0	0	(21,571)	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	4,573,867	31,127	0	0	0	0	0	4,542,740	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	12,096	275	0	0	0	0	0	11,821	0	0
3.4 Net	4,561,771	30,852	0	0	0	0	0	4,530,919	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0	0	0	0	0	0	0	0	0	0
6. Net healthcare receivables (a)	(233,979)	(143,098)	0	0	0	0	0	(90,881)	0	0
7. Amounts recoverable from reinsurers December 31, current year	740	36	0	0	0	0	0	704	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	29,277,340	1,847,453	0	0	0	0	0	27,429,887	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	29,277,340	1,847,453	0	0	0	0	0	27,429,887	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	784,695	50,878	0	0	0	0	0	733,817	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	784,695	50,878	0	0	0	0	0	733,817	0	0
10. Accrued medical incentive pools and bonuses, prior year	62,500	24,282	0	0	0	0	0	38,218	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	87,360,358	8,495,964	0	0	0	0	0	78,864,394	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	1,122,059	9,908	0	0	0	0	0	1,112,151	0	0
12.4 Net	86,238,299	8,486,056	0	0	0	0	0	77,752,243	0	0
13. Incurred medical incentive pools and bonuses	(60,625)	(836)	0	0	0	0	0	(59,789)	0	0

(a) Excludes $ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	2,291	40,930	0	0	0	0	0	(38,639)	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	260	361	0	0	0	0	0	(101)	0	0
1.4 Net	2,031	40,569	0	0	0	0	0	(38,538)	0	0
2. Incurred but Unreported:										
2.1 Direct	4,571,576	(9,803)	0	0	0	0	0	4,581,379	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	11,836	(86)	0	0	0	0	0	11,922	0	0
2.4 Net	4,559,740	(9,717)	0	0	0	0	0	4,569,457	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	4,573,867	31,127	0	0	0	0	0	4,542,740	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	12,096	275	0	0	0	0	0	11,821	0	0
4.4 Net	4,561,771	30,852	0	0	0	0	0	4,530,919	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
Line of Business	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	2,057,725	8,152,712	2,358	28,494	2,060,083	1,898,330
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	0	0	0	0	0	0
7 Title XIX - Medicaid	22,354,953	78,939,193	3,137,273	1,393,646	25,492,226	28,163,704
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	24,412,678	87,091,905	3,139,631	1,422,140	27,552,309	30,062,034
10. Healthcare receivables (a)	297,342	292,441	0	0	297,342	823,762
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	0	1,875	0	0	0	62,500
13. Totals (Lines 9 - 10 + 11 + 12)	24,115,336	86,801,339	3,139,631	1,422,140	27,254,967	29,300,772

(a) Excludes $ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	3,829	3,829	3,826	3,823	3,805
2. 2009	33,074	35,716	35,683	35,659	35,671
3. 2010	XXX	35,176	35,965	35,943	35,974
4. 2011	XXX	XXX	21,045	23,584	23,798
5. 2012	XXX	XXX	XXX	18,240	20,081
6. 2013	XXX	XXX	XXX	XXX	8,153

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	3,956	3,829	3,826	3,823	3,805
2. 2009	42,189	36,249	35,683	35,659	35,671
3. 2010	XXX	40,333	36,041	35,943	35,974
4. 2011	XXX	XXX	24,153	23,615	23,798
5. 2012	XXX	XXX	XXX	20,131	20,083
6. 2013	XXX	XXX	XXX	XXX	8,181

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009	35,972	35,671	1,005	2.8	36,676	102.0	0	0	36,676	102.0
2. 2010	32,278	35,974	1,007	2.8	36,981	114.6	0	0	36,981	114.6
3. 2011	19,771	23,798	654	2.7	24,452	123.7	0	0	24,452	123.7
4. 2012	17,176	20,081	694	3.5	20,775	121.0	2	0	20,777	121.0
5. 2013	6,272	8,153	423	5.2	8,576	136.7	28	1	8,605	137.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX

		Cumulative Net Amounts Paid				
	Year in Which Losses Were Incurred	1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	5,378	5,378	5,289	5,274	5,263
2.	2009	26,289	31,192	30,440	30,317	30,177
3.	2010	XXX	68,911	88,546	88,428	88,289
4.	2011	XXX	XXX	133,918	147,242	147,323
5.	2012	XXX	XXX	XXX	146,498	169,039
6.	2013	XXX	XXX	XXX	XXX	78,942

Section B - Incurred Health Claims - Title XIX

		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	Year in Which Losses Were Incurred	1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	5,461	5,378	5,289	5,274	5,263
2.	2009	33,002	31,270	30,440	30,317	30,177
3.	2010	XXX	91,611	90,208	88,428	88,289
4.	2011	XXX	XXX	161,511	153,352	147,323
5.	2012	XXX	XXX	XXX	168,589	172,176
6.	2013	XXX	XXX	XXX	XXX	80,335

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2009	35,364	30,177	834	2.8	31,011	87.7	0	0	31,011	87.7
2.	2010	98,913	88,289	4,324	4.9	92,613	93.6	0	0	92,613	93.6
3.	2011	160,358	147,323	5,559	3.8	152,882	95.3	0	0	152,882	95.3
4.	2012	185,780	169,039	7,957	4.7	176,996	95.3	3,137	0	180,133	97.0
5.	2013	111,255	78,942	7,928	10.0	86,870	78.1	1,394	11	88,275	79.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	9,207	9,207	9,115	9,097	9,068
2.	2009	59,363	66,908	66,123	65,976	65,848
3.	2010	XXX	104,087	124,511	124,371	124,263
4.	2011	XXX	XXX	154,963	170,826	171,121
5.	2012	XXX	XXX	XXX	164,738	189,120
6.	2013	XXX	XXX	XXX	XXX	87,095

Section B - Incurred Health Claims - Grand Total

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	9,417	9,207	9,115	9,097	9,068
2.	2009	75,191	67,519	66,123	65,976	65,848
3.	2010	XXX	131,944	126,249	124,371	124,263
4.	2011	XXX	XXX	185,664	176,967	171,121
5.	2012	XXX	XXX	XXX	188,720	192,259
6.	2013	XXX	XXX	XXX	XXX	88,516

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2009	71,336	65,848	1,839	2.8	67,687	94.9	0	0	67,687	94.9
2.	2010	131,191	124,263	5,331	4.3	129,594	98.8	0	0	129,594	98.8
3.	2011	180,129	171,121	6,213	3.6	177,334	98.4	0	0	177,334	98.4
4.	2012	202,956	189,120	8,651	4.6	197,771	97.4	3,139	0	200,910	99.0
5.	2013	117,527	87,095	8,351	9.6	95,446	81.2	1,422	12	96,880	82.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including $ ....) for investment income									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)									
7. Reinsurance ceded									
8. Totals (Net)(Page 3, Line 4)									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net)(Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)									

NONE

(a) Includes $ .... premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses 1 Cost Containment Expenses	Claim Adjustment Expenses 2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
1. Rent ($ 0 for occupancy of own building)	115,479	80,089	112,514	0	308,082
2. Salary, wages and other benefits	2,282,979	1,583,333	2,224,362	0	6,090,674
3. Commissions (less $ (277,476) ceded plus $ 0 assumed)	0	0	(277,476)	0	(277,476)
4. Legal fees and expenses	6,945	4,816	6,766	0	18,527
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	250,988	174,070	234,885	0	659,943
7. Traveling expenses	76,875	53,316	74,901	0	205,092
8. Marketing and advertising	173,899	120,606	169,434	0	463,939
9. Postage, express and telephone	151,273	104,914	147,389	0	403,576
10. Printing and office supplies	49,480	34,317	48,210	0	132,007
11. Occupancy, depreciation and amortization	58,056	40,264	56,566	0	154,886
12. Equipment	8,552	5,931	8,332	0	22,815
13. Cost or depreciation of EDP equipment and software	277,395	192,384	270,273	0	740,052
14. Outsourced services including EDP, claims, and other services	348,655	231,686	277,566	0	857,907
15. Boards, bureaus and association fees	4,806	3,333	4,683	0	12,822
16. Insurance, except on real estate	47,297	32,802	46,082	0	126,181
17. Collection and bank service charges	15,036	10,428	14,650	0	40,114
18. Group service and administration fees	6,757	4,686	(2,178)	0	9,265
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	0	0	0	0
22. Real estate taxes	8,689	7,315	9,433	0	25,437
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	0	0	0
23.2 State premium taxes	0	0	2,393,502	0	2,393,502
23.3 Regulatory authority licenses and fees	0	0	5,738	0	5,738
23.4 Payroll taxes	144,695	121,816	157,080	0	423,591
23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24. Investment expenses not included elsewhere	0	0	0	24,415	24,415
25. Aggregate write-ins for expenses	579,761	402,087	567,791	0	1,549,639
26. Total expenses incurred (Lines 1 to 25)	4,607,617	3,208,193	6,550,503	24,415	(a) 14,390,728
27. Less expenses unpaid December 31, current year	6,826	4,753	412,073	3,224	426,876
28. Add expenses unpaid December 31, prior year	348,881	197,250	2,387,703	7,574	2,941,408
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year	0	0	0	0	0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	4,949,672	3,400,690	8,526,133	28,765	16,905,260
DETAILS OF WRITE-INS					
2501. Information Technology	31,753	22,022	30,938	0	84,713
2502. Interest	3,766	2,612	6,584	0	12,962
2503. Managed Care & Network Access	1,671	1,159	1,629	0	4,459
2598. Summary of remaining write-ins for Line 25 from overflow page	542,571	376,294	528,640	0	1,447,505
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	579,761	402,087	567,791	0	1,549,639

(a) Includes management fees of $ 11,059,817 to affiliates and $ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 37,177	23,399
1.1	Bonds exempt from U.S. tax	(a) 0	0
1.2	Other bonds (unaffiliated)	(a) 408,659	250,487
1.3	Bonds of affiliates	(a) 0	0
2.1	Preferred stocks (unaffiliated)	(b) 0	0
2.11	Preferred stocks of affiliates	(b) 0	0
2.2	Common stocks (unaffiliated)	0	0
2.21	Common stocks of affiliates	0	0
3.	Mortgage loans	(c) 0	0
4.	Real estate	(d) 0	0
5	Contract Loans	0	0
6	Cash, cash equivalents and short-term investments	(e) 36,071	5,216
7	Derivative instruments	(f) 0	0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	481,907	279,102
11.	Investment expenses		(g) 24,415
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 0
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		24,415
17.	Net investment income (Line 10 minus Line 16)		254,687
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ 3,042 accrual of discount less $ 512,018 amortization of premium and less $ 15,771 paid for accrued interest on purchases.

(b) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued dividends on purchases.

(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.

(d) Includes $ 0 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.

(e) Includes $ 0 accrual of discount less $ 21,547 amortization of premium and less $ 0 paid for accrued interest on purchases.

(f) Includes $ 0 accrual of discount less $ 0 amortization of premium.

(g) Includes $. 24,415 investment expenses and $ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ 0 interest on surplus notes and $ 0 interest on capital notes.

(i) Includes $ 0 depreciation on real estate and $ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(2,143)	0	(2,143)	0	0
1.1	Bonds exempt from U.S. tax	0	0	0	0	0
1.2	Other bonds (unaffiliated)	(46,673)	0	(46,673)	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	(633)	0	(633)	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	(49,449)	0	(49,449)	0	0
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivable from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	572,962	588,967	16,005
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	572,962	588,967	16,005
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	572,962	588,967	16,005
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1.	Health Maintenance Organizations	56,114	57,879	58,204	0	0	350,049
2.	Provider Service Organizations	0	0	0	0	0	0
3.	Preferred Provider Organizations	0	0	0	0	0	0
4.	Point of Service	0	0	0	0	0	0
5.	Indemnity Only	0	0	0	0	0	0
6.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
7.	Total	56,114	57,879	58,204	0	0	350,049
	DETAILS OF WRITE-INS						
0601.							
0602.							
0603.							
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

UNISON HEALTH PLAN OF THE CAPITAL AREA, INC.

NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In thousands except capital stock share data)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation

Unison Health Plan of the Capital Area, Inc. (the "Company"), licensed as a health maintenance organization ("HMO"), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of Three Rivers Holdings, Inc. ("TRH"). Effective May 30, 2008, TRH was acquired by AmeriChoice Corporation ("AmeriChoice"), which is a wholly owned subsidiary of UnitedHealth Group Incorporated ("UnitedHealth Group"). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on May 3, 2007, as an HMO and operations commenced in March 2008. The Company is certified as an HMO by the District of Columbia Department of Insurance, Securities and Banking (the "DISB"). The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company had a contract ("the Contract") with the Government of the District of Columbia, Office of Contracting and Procurement (the "District"), to provide health care services to Medicaid and Health Care Alliance ("Alliance"), a program for uninsured children and adults, eligible beneficiaries in the District of Columbia. This contract represented 100% of the Company's direct written premiums and was effective through April 30, 2013. The District executed an extension of the Company's provider contract for the period from May 1, 2013 to June 30, 2013. Effective July 1, 2013, the Company's operations have been discontinued (see Note 4).

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the DISB.

The Department recognizes only statutory accounting practices, prescribed or permitted by the District of Columbia, for determining and reporting the financial condition and results of operations of an HMO, for determining its solvency under District of Columbia Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") in effect for the accounting periods covered in the statutory basis financial statements.

(1-8) No significant differences exist between the practices prescribed or permitted by the District of Columbia and those prescribed or permitted by the NAIC SAP that materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	State of Domicile	2013	2012
Net Income			
(1) Company state basis	District of Columbia	$ 11,355	$ 5,217
(2) State prescribed practices that increase/(decrease) NAIC SAP: None	District of Columbia	-	-
(3) State permitted practices that increase/(decrease) NAIC SAP: None	District of Columbia	-	-
(4) NAIC SAP (1-2-3=4)	District of Columbia	$ 11,355	$ 5,217
Surplus			
(5) Company state basis	District of Columbia	$ 16,143	$ 29,554
(6) State prescribed practices that increase/(decrease) NAIC SAP: None	District of Columbia	-	-
(7) State permitted practices that increase/(decrease) NAIC SAP: None	District of Columbia	-	-
(8) NAIC SAP (5-6-7=8)	District of Columbia	$ 16,143	$ 29,554

B. Use of Estimates in the Preparation of the Statutory Basis Financial Statements

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, and aggregate health claim reserves. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

C. Accounting Policy

(1-13) Basis of Presentation — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed or permitted by the DISB. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

The more significant differences are as follows:

- Cash and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;

- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;

- Certain debt investments categorized as held to maturity are presented at the lower of amortized cost or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or amortized cost, respectively;

- Under statutory accounting, the change to deferred tax assets and liabilities is recorded directly to unassigned deficit and deferred tax assets are subject to a valuation allowance and admissibility limitations of the assets in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets and liabilities is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under statutory accounting, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheets;

- Certain assets, including certain health care receivables, are considered nonadmitted assets for statutory purposes and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned deficit. Under GAAP, such assets are included in the balance sheets;

- The reserves ceded to reinsurers for claims unpaid and aggregate health claim reserves have been reported as reductions of the related reserves rather than as assets, which would be required under GAAP;

- Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements;

- Cash and short-term investments in the statutory basis statements of cash flows represent cash balances and investments with original maturities of one year or less from the time of acquisition. Under GAAP, the corresponding caption of cash includes cash balances with maturities of three months or less. The corresponding caption of short-term investments under GAAP represents securities with a final maturity of one year or less from the balance sheet date. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

Cash and Invested Assets —

- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;

- Short-term investments represent money market instruments, corporate debt securities, U.S. government and state and state agency obligations, and municipal securities with a maturity of greater than three months but less than one year at the time of purchase;

- Bonds include corporate debt securities, U.S. government and state agency obligations, and municipal securities with a maturity of greater than one year at the time of purchase;

- Bonds and short-term investments are stated at amortized cost if they meet NAIC designation of one or two and stated at the lower of amortized cost or fair value if they meet an NAIC designation of three or higher. Amortization of bond premium or discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the Securities Valuation Office of the NAIC ("SVO") in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service;

- The Company holds no mortgage loans on real estate;

- Corporate bonds and government obligations include mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of mortgage-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets and total investments in mortgage-backed securities to 30% of total cash and invested assets;

- The Company holds no common or preferred stock;

- The Company holds no investments in subsidiaries, controlled, or affiliated entities;

- The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;

- The Company holds no derivatives;

- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital losses less capital gains tax benefit in the statutory basis statements of operations;

- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital losses less capital gains tax benefit in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for mortgage-backed securities for periods subsequent to the loss recognition. The Company has not recorded any other-than-temporary impairments for the years ended December 31, 2013 and 2012.

Investment Income Due and Accrued — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and amounts determined to be uncollectible are written off in the period in which the determination is made.

Net Investment Income Earned — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).

Properties Occupied by the Company, Properties Held for the Production of Income, Properties Held for Sale, Furniture and Equipment, and Electronic Data Processing Equipment and Software — The Company does not carry any fixed assets on the statutory basis financial statements.

Amounts Due to Parent, Subsidiaries, and Affiliates, Net — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts due or owed as amounts due to parent, subsidiaries, and affiliates, net, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

Hospital and Medical Expenses, Claims Unpaid, and Aggregate Health Claim Reserves — Hospital and medical expenses and corresponding liabilities include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2013 and 2012. Management believes the amount of claims unpaid and aggregate health claim reserves is adequate to cover the Company's liability for unpaid claims and aggregate health claim reserves as of December 31, 2013; however, actual payments may differ from those established estimates. Adjustments to claims unpaid estimates and aggregate health claim reserves are reflected in the statutory basis statement of operations in the period in which the change in estimate is identified.

The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

Net Deferred Tax Asset and Federal Income Taxes Incurred (Benefit) — Statutory accounting provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets and liabilities, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). The provision for federal income taxes incurred (benefit) is calculated based on applying the statutory federal income tax rate of 35% to net income before federal income taxes less capital gains tax benefit subject to certain adjustments (see Note 9).

Claims Adjustment Expenses — Claims adjustment expenses ("CAE") are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to United HealthCare Services, Inc. ("UHS") in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general administrative expenses to be reported in the statutory basis statement of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid claims adjustment expenses associated with incurred but unpaid claims, which is included in unpaid claims adjustment expenses in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid claims adjustment expenses as of December 31, 2013 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid claims adjustment expenses are reflected in operating results in the period in which the change in estimate is identified.

General Administrative Expenses — Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the management agreement are directly expensed as incurred. Premium taxes are also a component of general administrative expenses. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between claims adjustment expenses and general administrative expenses to be reported in the statutory basis statements of operations.

Revenues and Uncollected Premiums — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums.

Net premium income also includes amounts paid by the District per member in exchange for the provision and administration of medical benefits under the Medicaid and Alliance programs. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity and newborn payments. Maternity and newborn income is billed on contractual rates and recognized as income as each birth case is identified by the Company. Included in net premium income are capitated payments, maternity payments, and newborn payments. The majority of net premium income recorded is based on capitated rates, which are monthly premiums paid for each member enrolled.

The Company reports uncollected premium balances from its insured members as uncollected premium balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential.

Reinsurance Ceded — In the normal course of business, the Company seeks to limit its exposure to loss and to recover a portion of the benefits paid by ceding premium to other insurance enterprises under specific transfer of risk agreements. Effective March 1, 2013, the Company entered into a reinsurance agreement with Unimerica Insurance Company ("Unimerica"), an affiliate, (see Note 10) through which a contractual per member per month ("PMPM") rate of earned Medicaid member premiums and 100% of obligations relating to physical health and mental health treatments and services is ceded to the reinsurer. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred but not paid are deducted from net premium income in the accompanying statutory basis financial statements. Pursuant to the reinsurance agreement, any amounts recoverable from the reinsurer for claims paid or estimates of claims incurred but not yet paid are recorded as amounts recoverable from reinsurers and as a reduction to claims unpaid, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net r58einsurance recoveries in the statutory basis statements of operations. Effective July 1, 2013, the reinsurance agreement was terminated.

Amounts Recoverable from Reinsurers — The Company records amounts recoverable from reinsurers for claims paid pursuant to the reinsurance agreement with Unimerica in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net reinsurance recoveries in the statutory basis statements of operations.

Incentive Pool — The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any surpluses or deficits in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability or receivable is included in accrued medical incentive pool and bonus amounts or health care receivables in the statutory basis statements of admitted assets, liabilities, and capital and surplus, and the corresponding expense or reduction to expense is included in incentive pool, withhold adjustments, and bonus amounts in the statutory basis statements of operations.

Health Care Receivables — Health care receivables consist of pharmacy rebate receivables estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care receivables also includes receivables for amounts due to the Company for claim overpayments to providers, hospitals and other healthcare provider organizations. Health care receivables are considered nonadmitted assets for statutory purposes if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

Premium Deficiency Reserves — Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care expenses, claim adjustment expenses, direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected in increase in reserves for accident and health contracts in the accompanying statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30).

Vulnerability Due to Certain Concentrations — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

Direct premiums written and uncollected premiums from the District on behalf of the Department of Health Care Finance ("DHCF") as a percentage of total direct premiums written and total uncollected premiums are 100% and 0% as of December 31, 2013 and 100% and 100% as of December 31, 2012, respectively.

Restricted Cash Reserves — The Company is required by the District of Columbia to maintain a minimum regulatory deposit (currently $300). The Company is in compliance with this requirement as of December 31, 2013 and 2012, respectively. This restricted cash reserve consists principally of government obligations that are stated at amortized cost, which approximates fair value. This reserve is included in bonds in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on this reserve accrues to the Company.

Minimum Capital and Surplus — Under the laws of the District of Columbia, the DISB requires the Company to have an initial statutory capital and surplus of $1,500 and shall maintain a minimum capital and surplus equal to the greatest of $1,000, 2% of the first $150,000 of annual premium revenue and 1% of annual premium revenue over $150,000, three months of uncovered health care expenditures, or an amount equal to the sum of 8% of the annual health care expenditures (not including those expenditures paid on a capitated basis or those on a managed hospital plan basis), plus 4% of the annual hospital expenditures paid on a managed hospital payment basis. The minimum capital and surplus requirement is $5,144 and $12,135, for December 31, 2013 and 2012, respectively, which was based on health care expenditures as that produced the highest minimum requirement. The Company has $16,143 and $29,554 in total statutory basis capital and surplus as of December 31, 2013 and 2012, respectively, which is in compliance with the required amount.

Risk-based capital ("RBC") is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The DISB requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula. The Company is in compliance with the required amount.

Recently Issued Accounting Standards — The Company reviewed all recently issued guidance in 2012 and 2013 that has been adopted for 2013 or subsequent year's implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles have been recorded during the years ended December 31, 2013 and 2012.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2013 and 2012, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

(1–4) Effective July 1, 2013, the Company's contract with the District to provide health care services to Medicaid and Alliance eligible beneficiaries expired and operations were discontinued. This did not require regulatory approval and the results of the Company's discontinued operations have been reported consistently with the Company's reporting of continued operations. The Company is committed to maintaining adequate operating cash and required capital and surplus levels to fund the run-out of related claims. In addition, the parent company, TRH, is committed to and has the financial resources for the Company to meet all of its financial obligations. In the event of an immediate and material cash demand, capital infusions or subordinated revolving credit loans would be executed to address cash requirements. There are no restrictions which would preclude this from happening in a timely manner.

(5) The amounts related to discontinued operations and the effect on the Company's statutory basis statements of admitted assets, liabilities, and capital and surplus and statutory basis statement of operations are as follows:

Balance Sheet as of December 31, 2013

Assets

a.	Line 5	Cash	$ 8,799
b.	Line 28	Totals	21,596

Liabilities, Surplus, and Other Funds

c.	Line 24	Total liabilities	5,453
d.	Line 33	Total capital and surplus	16,143
e.	Line 34	Total	$ 21,596

Statement of Revenue and Expenses for the Year Ended December 31, 2013

f.	Line 2	Premium	$ 117,527
g.	Line 22	Increase in aggregate reserves for accident and health (current year less prior year)	-
h.	Line 31	Federal and foreign income taxes incurred	5,849
i.	Line 26	Net realized capital gains (losses)	(34)
j.	Line 32	Net income	$ 11,355

5. INVESTMENTS AND OTHER INVESTED ASSETS

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of investments for long-term investments were $54 and $(103), respectively, for 2013. The Company had no gross realized gains and losses on sales of investment for long-term investments for 2012. The gross realized gains and losses on sales of short-term investments were $0 and $(1), respectively, for 2013. The Company had no gross realized gains and loss on sales of short-term investments for 2012. The net realized gain and loss is included in net realized capital losses less capital gains tax benefit in the accompanying statutory basis statements of operations. Total proceeds on the sale of investments for bonds were $24,254 and $1,508, and for short-term investments were $30,900 and $36,383 in 2013 and 2012, respectively.

As of December 31, 2013 and 2012, the amortized cost, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash of $5,749 and $23,466, respectively, are as follows:

	2013				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency securities	$ 4,530	$ 3	$ (27)	$ (14)	$ 4,492
City and county municipalities	450	-	-	-	450
Corporate debt securities (includes commercial paper)	5,548	25	(21)	-	5,552
Money-market funds	3,050	-	-	-	3,050
Total bonds and short-term investments	$ 13,578	$ 28	$ (48)	$ (14)	$ 13,544

	2013				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
Less than one year	$ 3,300	$ -	$ -	$ -	$ 3,300
One to five years	9,113	28	(31)	-	9,110
Five to ten years	-	-	-	-	-
Over ten years	1,165	-	(17)	(14)	1,134
Total bonds and short-term investments	$ 13,578	$ 28	$ (48)	$ (14)	$ 13,544

	2012				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency securities	$ 11,724	$ 42	$ (1)	$ -	$ 11,765
State and agency municipalities	3,877	3	(3)	-	3,877
City and county municipalities	6,574	3	(9)	-	6,568
Corporate debt securities (includes commercial paper)	12,663	100	(6)	-	12,757
Money-market funds	3,319	-	-	-	3,319
Total bonds and short-term investments	$ 38,157	$ 148	$ (19)	$ -	$ 38,286

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at an amortized cost of $965 and fair value of $934.

The following table illustrates the fair value and gross unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2013 and 2012:

	2013					
	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 2,438	$ (27)	$ 321	$ (14)	$ 2,759	$ (41)
Corporate debt securities (includes commercial paper)	2,047	(21)	-	-	2,047	(21)
Total bonds and short-term investments	$ 4,485	$ (48)	$ 321	$ (14)	$ 4,806	$ (62)

	2012					
	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 611	$ (1)	$ -	$ -	$ 611	$ (1)
State and agency municipalities	1,970	(2)	-	-	1,970	(2)
City and county municipalities	3,576	(10)	-	-	3,576	(10)
Corporate debt securities (includes commercial paper)	2,926	(6)	-	-	2,926	(6)
Total bonds and short-term investments	$ 9,083	$ (19)	$ -	$ -	$ 9,083	$ (19)

The unrealized losses on investments in U.S. government and agency securities, state and agency municipalities, city and county municipalities, and corporate debt securities at December 31, 2013 and 2012, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its amortized cost. The contractual cash flows of the U.S. government and agency obligations are either guaranteed by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipalities and local agency obligations and corporate obligations, noting whether a significant deterioration since purchase or other factors that may indicate an other-than-temporary impairment ("OTTI"), such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain mortgage-backed securities for a period of time sufficient to recover the amortized cost. As a result of this review, no OTTI was recorded by the Company as of December 31, 2013 and 2012, respectively.

A–C. The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.

D. Loan-Backed Securities

(1) Corporate bonds and government obligations include mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of mortgage-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.

(2) The Company did not recognize any OTTI on mortgage-backed securities as of December 31, 2013 and 2012.

(3) The Company did not have mortgage-backed securities with an OTTI to report by CUSIP as of December 31, 2013 or 2012.

(4) The following table illustrates the fair value, gross unrealized losses, and length of time that the mortgage-backed securities have been in a continuous unrealized loss position as of December 31, 2013 and 2012:

		2013
The aggregate amount of unrealized losses:		
1. Less than 12 months	$	(17)
2. 12 Months or longer		(14)
The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 months		863
2. 12 Months or longer		321

		2012
The aggregate amount of unrealized losses:		
1. Less than 12 months	$	(1)
2. 12 Months or longer		-
The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 months		352
2. 12 Months or longer		-

(5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrealized losses as of December 31, 2013 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

E. **Repurchase Agreements and/or Securities Lending Transactions** — Not applicable.

F. **Real Estate** — Not applicable.

G. **Low-Income Housing Tax Credits** — Not applicable.

H. Restricted Assets

(1) Restricted assets – including pledged as of December 31, 2013 and 2012:

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	0%	0%
b. Collateral held under security lending agreements	-	-	-	-	0%	0%
c. Subject to repurchase agreements	-	-	-	-	0%	0%
d. Subject to reverse repurchase agreements	-	-	-	-	0%	0%
e. Subject to dollar repurchase agreements	-	-	-	-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	0%	0%
g. Placed under option contracts	-	-	-	-	0%	0%
h. Letter stock or securities restricted as to sale	-	-	-	-	0%	0%
i. On deposit with state	$ 342	$ 349	$ (7)	$ 342	2%	2%
j. On deposit with other regulatory bodies	-	-	-	-	0%	0%
k. Pledged as collateral not captured in other categories	-	-	-	-	0%	0%
l. Other restricted assets	-	-	-	-	0%	0%
m. Total Restricted Assets	$ 342	$ 349	$ (7)	$ 342	2%	2%

(2–3) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2013 or 2012.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

A–B. The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

7. INVESTMENT INCOME

A. The Company has admitted all investment income due and accrued in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

The components of net investment income earned as of December 31, 2013 and 2012 are as follows:

	2013	**2012**
Bonds	$ 274	$ 128
Cash and short-term investments	5	8
Total investment income earned	279	136
Expenses — investment management fees	(24)	(15)
Net investment income earned	$ 255	$ 121

B. There were no investment income amounts excluded from the statutory basis financial statements.

8. DERIVATIVE INSTRUMENTS

A–F. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2013 and 2012, are as follows:

	2013			2012			Change		
	1	2	3	4	5	6	7	8	9
			(Col 1+2)			(Col 4+5)	(Col 1-4)	(Col 2-5)	(Col 7+8)
	Ordinary	**Capital**	**Total**	**Ordinary**	**Capital**	**Total**	**Ordinary**	**Capital**	**Total**
(a) Gross deferred tax assets	$217	$ -	$217	$384	$ -	$384	$ (167)	$ -	$ (167)
(b) Statutory valuation allowance adjustments	-	-	-	384	-	384	(384)	-	(384)
(c) Adjusted gross deferred tax assets (1a–1b)	217	-	217	-	-	-	217	-	217
(d) Deferred tax assets nonadmitt	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c–1d)	217	-	217	-	-	-	217	-	217
(f) Deferred tax liabilities	-	-	-	-	-	-	-	-	-
(g) Net admitted deferred tax asset/ (net deferred tax liability) (1e–1f)	$217	$ -	$217	$ -	$ -	$ -	$ 217	$ -	$ 217

(2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes — A Replacement of SSAP No. 10R and SSAP No. 10,* are as follows:

	2013			2012			Change		
	1	2	3	4	5	6			
Admission Calculation Components SSAP No. 101	**Ordinary**	**Capital**	(Col 1+2) **Total**	**Ordinary**	**Capital**	(Col 4+5) **Total**	(Col 1-4) **Ordinary**	(Col 2-5) **Capital**	(Col 7+8) **Total**
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 217	$ -	$ 217	$ -	$ -	$ -	$ 217	$ -	$ 217
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	2,389	XXX	XXX	4,433	XXX	XXX	(2,044)
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	-	-	-	-	-	-	-	-	-
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a)+2(b)+2(c))	$ 217	$ -	$ 217	$ -	$ -	$ -	$ 217	$ -	$ 217

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admission calculation are presented below:

	2013	2012
(a) Ratio percentage used to determine recovery period and threshold limitation amount	423 %	407 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	$ 15,926	$ 29,554

(4) There was no impact to the deferred tax assets as a result of tax-planning strategies.

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities.

C. Significant Components of Income Taxes

(1) The current federal income taxes incurred (benefit) for the years ended December 31, 2013 and 2012 are as follows:

	1 **2013**	2 **2012**	3 (Col 1-2) **Change**
1. Current income tax			
(a) Federal	$ 5,849	$ (302)	$ 6,151
(b) Foreign	-	-	-
(c) Subtotal	5,849	(302)	6,151
(d) Federal income tax on net capital gains	(16)	-	(16)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	$ 5,833	$ (302)	$ 6,135

(2–4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2013 and 2012, are as follows:

	1 2013	2 2012	3 (Col 1-2) Change
2. Deferred tax assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 17	$ 152	$ (135)
(2) Unearned premium reserve	-	-	-
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	200	206	(6)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	-	26	(26)
(99) Subtotal	217	384	(167)
(b) Statutory valuation allowance adjustment	-	384	(384)
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	217	-	217
(e) Capital			
(1) Investments	-	-	-
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	217	-	217
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Investments	-	-	-
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities	-	-	-
(99) Subtotal	-	-	-
(b) Capital			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities	-	-	-
(99) Subtotal	-	-	-
(c) Deferred tax liabilities (3a99 + 3b99)	-	-	-
4. Net deferred tax assets/liabilities (2i - 3c)	$ 217	$ -	$ 217

The other ordinary deferred tax asset of $26 for 2012 consists of bad debt.

The Company assessed the potential realization of the gross deferred tax asset and as a result no statutory valuation allowance was required and no allowance was established as of December 31, 2013. The Company established a valuation allowance of $384 to reduce the gross deferred tax asset to $0 as of December 31, 2012, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to an increase in taxable income in the carryback period.

D. The provision for federal income taxes incurred (benefit) is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income before federal income taxes, less capital gains tax (benefit). The significant items causing this difference are as follows:

	2013	**2012**
Tax provision at the federal statutory rate	$ 6,016	$ 1,720
Tax-exempt interest	(22)	(8)
Change in statutory valuation allowance	(384)	(1,941)
Tax effect of nonadmitted assets	6	(73)
Total statutory income taxes	$ 5,616	$ (302)
Federal income taxes incurred (benefit)	$ 5,849	$ (302)
Capital gains tax	(16)	-
Change in net deferred income tax	(218)	-
Total statutory income taxes	$ 5,615	$ (302)

E. At December 31, 2013, the Company had no net operating loss carryforwards.

Current federal income taxes (recoverable) payable of ($1,977) and $595 as of December 31, 2013 and 2012, respectively, are included in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were $8,405 and $2,048 in 2013 and 2012, respectively.

Federal income taxes incurred of $5,833 is available for recoupment in 2013, in the event of future net losses. There are no federal income taxes available for recoupment in 2012, in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service Code ("IRS").

F. The Company is included in a consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y — Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2012 and prior. UnitedHealth Group's 2013 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2008 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

G. **Tax Contingencies** — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–L. Material Related Party Transactions

Pursuant to the terms of a Management Agreement (the "Agreement"), UHS will provide management services to the Company under a fee structure, which is based on a direct charge representing UHS' expenses for services or use of assets provided to the Company. Management fees under this arrangement totaled $11,060 and $19,139 in 2013 and 2012, respectively, and are included in general administrative expenses and claims adjustment expenses in the accompanying statutory basis statements of operations. Direct expenses not included in the management agreement, such as broker commissions, DISB exam fees, and premium taxes, are paid by UHS on behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company expensed as hospital and medical expenses, general administrative expenses, and claims adjustment expenses $1,048 and $3,481 in capitation fees to related parties during 2013 and 2012, respectively. Under the Agreement, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a PMPM basis (where the charge incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services include, but are not limited to, integrated personal health management solutions, such as disease management, treatment decision support, and wellness services, including a 24-hour call-in service, access to a network of transplant providers, and discount program services. OptumHealth Care Solutions, Inc. provides chiropractic, physical therapy and complex medical conditions services. United Behavioral Health provides mental health and substance abuse services.

The capitation expenses, administrative services, and access fees paid to related parties, that are included as hospital and medical expenses, general administrative expenses, and claims adjustment expenses in the accompanying statutory basis statements of operations for the years ended December 31, 2013 and 2012, are shown below:

	2013	2012
UHS	$ 599	$ 990
United Behavioral Health	415	2,427
OptumHealth Care Solutions, Inc.	34	64
Total	$ 1,048	$ 3,481

The Company contracts with OptumRx to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements, which are calculated on a per-claim basis, of $358 and $566 in 2013 and 2012, respectively, are included in general administrative expenses and claims adjustment expenses in the accompanying statutory basis statements of operations.

Effective January 1, 2013 the Company has an agreement with OptumInsight, Inc., an affiliate of the Company, for services that lead up to and include the prevention and recovery of medical expense overpayments. Service fees are either percentages of every recovery that are retained by OptumInsight, Inc. based on the services performed and recoveries, net of fees, are returned to the Company on a monthly basis and/or all recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis and a capitated service fee is charged to the Company as a PMPM. Service fees of $113 and $0 are included in general administrative expenses and claims adjustment expenses in the accompanying statutory basis statements of operations for the years ended December 31, 2013 and 2012, respectively.

Effective March 1, 2013, the Company entered into a reinsurance agreement with an affiliated entity, Unimerica, to cede obligations relating to physical health and mental health treatments and services. The agreement has been approved by the DISB. Effective July 1, 2013, the reinsurance agreement was terminated.

Effective November 1, 2012, the Company holds a $10,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London Interbank Offered Rate (LIBOR) plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. No amounts were outstanding under the line of credit as of December 31, 2013 and 2012.

At December 31, 2013 and 2012, the Company reported $346 and $1,164, respectively, as amounts due to parent, subsidiaries, and affiliates, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of $25,000 and $0 in 2013 and 2012, respectively, to its parent (see Note 13). The Company did not receive any capital infusions during 2013 or 2012.

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiary, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

11. DEBT

A–B. The Company had no outstanding debt with third parties or outstanding federal home loan bank agreements during 2013 and 2012.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

A–I. The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, and compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of a management agreement (see Note 10).

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

(1–2) The Company has 10,000 shares authorized and 1,000 shares issued and outstanding of $1 stated value common capital stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, TRH.

(3) Under the laws of the District of Columbia, each registered insurer shall report to the Commissioner of the DISB all dividends and other distributions to shareholders within 15 business days following the declaration thereof. An extraordinary dividend or other extraordinary distribution to its shareholders cannot be made until (i) 30 days after the Mayor of the District of Columbia ("Mayor") has received notice of the declaration and has not within this period disapproved such payment, or (ii) the Mayor shall have approved the payment within the 30-day period. An extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding 12 months, exceeds the lesser of (i) 10% of such insurer's surplus as regards policyholders as of the 31st day of December of the preceding year, or (ii) net income, not including realized capital gains, for the 12-month period ending the 31st day of December of the preceding year, but shall not include pro rata distributions of any class of the insurer's own securities. In determining whether a dividend or distribution is extraordinary, an insurer may carryforward net income from the previous two calendar years that has not already been paid out as dividends. The carryforward shall be computed by taking the net income from the second and third preceding calendar years, not including realized capital gains, less dividends paid in the second and immediate preceding calendar years.

(4) The Company paid an extraordinary cash dividend of $25,000 on December 27, 2013, to TRH, which was approved by the DISB and recorded as a reduction to gross paid-in and contributed surplus in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company did not pay any dividends during 2012 and the Company did not receive any capital infusions during 2013 or 2012.

(5) The amount of ordinary dividends that may be paid out during any given period are subject to certain restrictions as specified by state statute.

(6) There are no restrictions placed on the Company's unassigned deficit.

(7) The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.

(8) The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.

(9) The Company does not have any special surplus funds.

(10) The portion of unassigned deficit reduced by each item below is as follows:

	2013	2012	Change
Net deferred income taxes	$ 217	$ -	$ 217
Nonadmitted assets	(573)	(589)	16
Total	$ (356)	$ (589)	$ 233

(11-13) The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. CONTINGENCIES

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company is not aware of any assessments, potential or accrued, that could have a material financial effect on the operations of the entity.

C. Gain Contingencies

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits — Not applicable

E. All Other Contingences

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters: involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

Health Reform Legislation and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing our liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition, and cash flows could be materially adversely affected by such changes. The Health Reform Legislation may create new or expand existing opportunities for business growth, but due to its complexity, the impact of the Health Reform Legislation remains difficult to predict and is not yet fully known.

F. The Company routinely evaluates the collectability of all receivable amounts included within the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

15. LEASES

A–B. According to the management agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

(1–4) The Company does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A–C. The Company did not participate in any transfer of receivables, financial assets, or wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A–B. The Company has no operations from Administrative Services Only Contracts or Administrative Services Contract in 2013 and 2012.

C. Pursuant to the Health Reform Legislation, effective for calendar years 2013 and 2014, the state has elected to administer the additional PCP funds through non-risk reconciled payments for enhanced rates model (see Note 21). Under this model, the state's capitation rate is not inclusive of the enhanced rate. The Company is reimbursed at agreed upon intervals for all of the enhanced payment amounts in the determined period. There is no risk to the Company because any excess or shortfall is 100% remitted or received back from the state. The Company recorded a payable in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus of $47 and $0 as of December 31, 2013 respectively, for cost reimbursements and payments to providers under this program.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators.

20. FAIR VALUE MEASUREMENT

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1 — Quoted (unadjusted) prices for identical assets in active markets.

Level 2 — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.)
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds and short-term investments are based on quoted market prices, where available. The Company obtains one price for each security, primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

A. Fair Value

(1) The Company does not have any financial assets that are measured and reported at fair value on the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2013 and 2012.

(2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.

(3) Transfers between levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs; there were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2013 or 2012.

(4) **Investments** — Fair values of debt and equity securities are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, and, if necessary, makes adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark yields, credit spreads, default rates, prepayment speeds and non-binding broker quotes. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to prices reported by a secondary pricing source, such as its custodian, its investment consultant and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and reviews of fair value methodology documentation provided by independent pricing services have not historically resulted in adjustment in the prices obtained from the pricing service.

Fair values of debt securities that do not trade on a regular basis in active markets but are priced using other observable inputs are classified as Level 2.

Fair value estimates for Level 2 equity securities are based on quoted market prices for actively traded equity securities and/or other market data for the same or comparable instruments and transactions in establishing the prices.

(5) The Company has no derivative assets and liabilities to disclose.

B. Fair Value Combination — Not applicable.

C. The aggregate fair value by hierarchy of all financial instruments as of December 31, 2013 and 2012 is presented in the table below:

2013 Types of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practical Carrying Value
U.S. government and agency securities	$ 4,492	$ 4,530	$ 2,050	$ 2,442	$ -	$ -
State and agency municipalities	-	-	-	-	-	-
City and county municipalities	450	450	-	450	-	-
Corporate debt securities (includes commercial paper)	5,552	5,548	-	5,552	-	-
Money-market funds	3,050	3,050	3,050	-	-	-
Other invested assets	-	-	-	-	-	-
Equity (including marketable common stock)	-	-	-	-	-	-
Total bonds and short-term investments	$ 13,544	$ 13,578	$ 5,100	$ 8,444	$ -	$ -

2012 Types of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practical Carrying Value
U.S. government and agency securities	$ 11,765	$ 11,724	$ 5,500	$ 6,265	$ -	$ -
State and agency municipalities	3,877	3,877	-	3,877	-	-
City and county municipalities	6,568	6,574	-	6,568	-	-
Corporate debt securities (includes commercial paper)	12,757	12,663	-	12,757	-	-
Money-market funds	3,319	3,319	3,319	-	-	-
Other invested assets	-	-	-	-	-	-
Equity (including marketable common stock)	-	-	-	-	-	-
Total bonds and short-term investments	$ 38,286	$ 38,157	$ 8,819	$ 29,467	$ -	$ -

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy table above are U.S. Treasury securities of $2,050 and $5,500 as of December 31, 2013 and 2012, respectively. These instruments are reflected in cash and short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

There are no commercial paper included in corporate debt securities in the fair value hierarchy table as of December 31, 2013 and 2012.

D. **Not Practicable to Estimate Fair Value** — Not applicable.

21. OTHER ITEMS

The Company elected to use rounding in reporting amounts in the notes to statutory basis financial statements.

Effective for calendar years 2013 and 2014 the Patient Protection and Affordable Care Act (ACA) has mandated that certain practicing primary care physicians (“PCPs”) are eligible to receive increased payments for specified primary care services provided to Medicaid eligible individuals. This is to encourage PCPs to serve the Medicaid population in advance of the Medicaid expansion in 2014.

ACA requires that the managed care organizations (“MCO’s”) reimburse PCPs at a rate of no less than 100 percent of Medicare fee schedule rates for specified services. The federal government will finance the difference between the state Medicaid fee schedule rate and the corresponding Medicare fee schedule rate (enhanced rate payment) during calendar years 2013 and 2014. The state will in turn fund the enhanced rate payments to the MCO’s as part of an enhanced Medicaid capitation monthly premium or as a lump sum payment of the rate differential, depending on the model selected by each state and approved by CMS.

Effective September 30, 2013, pursuant to NAIC guidance, the Company reported the State CHIP funded by Title XXI of the Social Security Act under Comprehensive – Individual business throughout the statutory filing exhibits to allow for consistenty in presentation with how the activity is presented in the Accident and Health Policy Experience Exhibit. Prior to this time, State CHIP was reported as a component of Comprehensive – Group coverage.

A. The Company did not encounter any extraordinary items for the years ended December 31, 2013 or 2012.

B. The Company has no troubled debt restructurings as of December 31, 2013 or 2012.

C. The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments.

D. The Company has not received any business interruption insurance recoveries during 2013 and 2012.

E. The Company has no transferrable or non-transferable state tax credits.

F. Sub-Prime Mortgage-Related Risk Exposure

(1) The investment policy for the Company limits investments in asset-backed securities, which includes the sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered are rated NAIC rating of 1 or 2.

(2) The Company has no direct exposure through investments in subprime mortgage loans.

(3) The Company has no direct exposure through other investments.

(4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

G. The Company does not have any retained asset accounts for beneficiaries.

H. The Company does not have any offsetting or netting assets and liabilities as it relates to derivatives, repurchase and reverse repurchase, and securities borrowing and securities lending.

22. SUBSEQUENT EVENTS

TYPE I – Recognized Subsequent Events:

Subsequent events have been evaluated through February 28, 2014, which is the date these statutory basis financial statements were available for issuance.

There are no events subsequent to December 31, 2013, that require disclosure.

TYPE II – Nonrecognized Subsequent Events:

Subsequent events have been evaluated through February 28, 2014, which is the date these statutory basis financial statements were available for issuance.

On January 1, 2014, the Company will be subject to an annual fee under section 9010 of the ACA. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2013, the Company does not have written health insurance subject to the ACA assessment. The Company's Authorized Control Level RBC ("ACL RBC") ratio was 423% as of December 31, 2013.

A. ACA fee assessment payable	$ -
B. Assessment expected to impact RBC	0 %

There are no other events subsequent to December 31, 2013 that require disclosure.

23. REINSURANCE

The Company does not have any unaffiliated reinsurance agreements (external reinsurance) in place as of December 31, 2013 or 2012.

A. Ceded Reinsurance Report

***Section 1* — General Interrogatories**

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No (X)

(2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

***Section 2* — Ceded Reinsurance Report — Part A**

(1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes ( ) No (X)

(2) Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

***Section 3* — Ceded Reinsurance Report — Part B**

(1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2013.

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( ) No (X)

B. **Uncollectible Reinsurance** — During 2013 and 2012, there were no uncollectible reinsurance recoverables.

C. **Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2013 or 2012.

D. **Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable**.**

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A–B. The Company does not have any retrospectively rated contracts as of December 31, 2013 or 2012.

C. The Contract with the District of Columbia includes a provision for which a stated percentage of total direct premiums written can be eligible for a performance guarantee payment, based on various quality measures. The total direct premiums written, subject to this redetermination feature was approximately $119,761 and $202,956, which represents 100% of the Company's total direct premiums written, as of December 31, 2013 and 2012, respectively.

D. Pursuant to the Health Reform Legislation, the Company does not have any business subject to specific minimum loss ratio requirements as of December 31, 2013 and December 31, 2012 (see Note 14).

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the accompanying statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, and health care receivable for 2013 and 2012:

	2013		
	Current Year Incurred Claims	**Prior Years Incurred Claims**	**Total**
Beginning of year claim reserve	$ -	$ (30,125)	$ (30,125)
Paid claims, net of health care receivable* and reinsurance recoveries collected	87,094	24,413	111,507
End of year claim reserve	1,423	3,140	4,563
Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below	88,517	(2,572)	85,945
Beginning of year health care receivables	-	824	824
End of year health care receivables and reinsurance recoverables	(293)	(298)	(591)
Total incurred claims	$ 88,224	$ (2,046)	$ 86,178

*Health care receivable excludes loans/advances to providers of $0

	2012		
	Current Year Incurred Claims	**Prior Years Incurred Claims**	**Total**
Beginning of year claim reserve	$ -	$ (32,439)	$ (32,439)
Paid claims, net of health care receivable*	164,738	15,558	180,296
End of year claim reserve	23,983	6,142	30,125
Incurred claims excluding the change in health care receivables	188,721	(10,739)	177,982
Beginning of year health care receivables	-	592	592
End of year health care receivables	(817)	(7)	(824)
Total incurred claims	$ 187,904	$ (10,154)	$ 177,750

*Health care receivable exlcudes loans/advances to providers of $0.

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, and health care receivable as of December 31, 2012 were $29,301. As of December 31, 2013, $24,413 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health receivable, are $2,842, as a result of re-estimation of unpaid claims. Therefore, there has been $2,046 favorable prior year development since December 31, 2012 to December 31, 2013. The primary drivers consist of favorable development of $2,090 in retroactivity for inpatient, outpatient, physician, and pharmacy claims and by favorable development as a result of a change in the provision for adverse deviations in experience of $1,922, offset by unfavorable development of $1,982 for provider settlement payments. At December 31, 2012, the Company recorded $10,154 of favorable development related to favorable development of $7,783 in retroactivity for inpatient, outpatient, physician, and pharmacy claims and by favorable development as a result of a change in the provision for adverse deviations in experience of $2,034. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

The Company incurred claims adjustment expenses of $7,816 and $8,611 in 2013 and 2012, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of its management agreement (see Note 10). The following tables disclose paid CAE, incurred CAE, and the balance in the unpaid claim adjustment expenses reserve for 2013 and 2012:

	2013	**2012**
Total claims adjustment expenses incurred	$ 7,816	$ 8,611
Less current year unpaid claims adjustment expenses	(12)	(546)
Add prior year unpaid claims adjustment expenses	546	587
Total claims adjustment expenses paid	$ 8,350	$ 8,652

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2013 or 2012.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2013 or 2012.

28. HEALTH CARE RECEIVABLES

A. Pharmaceutical rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has non-admitted all pharmacy rebate receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria, the transaction history is summarized as follows:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
12/31/2013	$ -	$ -	$ -	$ -	$ -
9/30/2013	24	-	-	-	-
6/30/2013	175	136	35	-	-
3/31/2013	137	182	4	139	-
12/31/2012	161	175	14	112	29
9/30/2012	151	164	19	139	5
6/30/2012	158	169	22	118	23
3/31/2012	138	174	7	127	39
12/31/2011	128	148	15	122	10
9/30/2011	-	124	18	74	31
6/30/2011	-	115	32	78	3
3/31/2011	-	79	24	18	36

Of the amount reported as admitted health care receivables, $0 and $215 relates to pharmaceutical rebate receivables and $17 and $20 relates to provider overpayment receivables as of December 31, 2013 and 2012, respectively. This decrease is primarily due to decreased membership.

B. The Company does not have any risk-sharing receivables.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2013 or 2012.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2013 or 2012. This analysis of the premium deficiency reserve was completed as of December 31, 2013 and 2012. The Company did consider anticipated investment income when calculating the premium deficiency reserve.

The following table summarizes the Company's premium deficiency reserves as of December 31, 2013 and 2012:

	2013
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2013
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

	2012
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2012
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2013 and 2012, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

* * * * * *

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [X] No [ ] N/A [ ]

1.3 State Regulating? ..... District of Columbia

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/21/2013

3.4 By what department or departments?
District of Columbia Department of Insurance, Securities and Banking

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] N/A [X]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? ..... Yes [ ] No [X]
4.12 renewals? ..... Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? ..... Yes [ ] No [X]
4.22 renewals? ..... Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [X]

7.2 If yes,
7.21 State the percentage of foreign control; ..... 0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No [ ]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Optum Bank, Inc.	Salt Lake City, UT	NO	NO	YES	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Baker Tilly Virchow Krause, LLP
225 South Sixth Street, Suite 2300
Minneapolis, MN 55402

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kevin B. Francis, FSA, MAAA
Vice President, Actuarial Services
UnitedHealthcare Community & State
9800 Health Care Lane, MN006-W900
Minnetonka, MN 55343

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved 0

12.13 Total book/adjusted carrying value $ 0

12.2 If, yes provide explanation:

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Non-material modifications were made to the UnitedHealth Group Code of Conduct in Q3 2013.

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $ 0
- 20.12 To stockholders not officers $ 0
- 20.13 Trustees, supreme or grand (Fraternal Only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $ 0
- 20.22 To stockholders not officers $ 0
- 20.23 Trustees, supreme or grand (Fraternal Only) $ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $ 0
- 21.22 Borrowed from others $ 0
- 21.23 Leased from others $ 0
- 21.24 Other $ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No [ ]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $ 0
- 22.22 Amount paid as expenses $ 1,000
- 22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]

24.02 If no, give full and complete information relating thereto

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs. $ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0
24.103 Total payable for securities lending reported on the liability page. $ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements $ 0
25.22 Subject to reverse repurchase agreements $ 0
25.23 Subject to dollar repurchase agreements $ 0
25.24 Subject to reverse dollar repurchase agreements $ 0
25.25 Pledged as collateral $ 0
25.26 Placed under option agreements $ 0
25.27 Letter stock or other securities restricted as to sale $ 0
25.28 On deposit with state or other regulatory body $ 342,101
25.29 Other $ 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Northern Trust	50 S. LaSalle, Chicago, IL 60675
Bank of New York Mellon	Global Liquidity Services, 1 Wall St, 14th Floor, New York NY 10286

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]
28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
113878	McDonnell Investment Management, LLC	1515 West 22nd Street, Suite 1100, Oak Brook, IL 60523

GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	13,578,499	13,548,317	(30,182)
30.2 Preferred stocks	0	0	0
30.3 Totals	13,578,499	13,548,317	(30,182)

30.4 Describe the sources or methods utilized in determining the fair values:

pricing was obtained from HUB which is an external data sources vendor. Hub utilizes various pricing sources.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? $ 0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]
1.2 If yes, indicate premium earned on U.S. business only. $ 0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0
1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $ 0
1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $ 0
1.6 Individual policies:

Most current three years:
1.61 Total premium earned $ 0
1.62 Total incurred claims $ 0
1.63 Number of covered lives 0
All years prior to most current three years:
1.64 Total premium earned $ 0
1.65 Total incurred claims $ 0
1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:
1.71 Total premium earned $ 0
1.72 Total incurred claims $ 0
1.73 Number of covered lives 0
All years prior to most current three years:
1.74 Total premium earned $ 0
1.75 Total incurred claims $ 0
1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	117,527,147	202,955,551
2.2	Premium Denominator	117,527,147	202,955,552
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	4,561,771	30,124,535
2.5	Reserve Denominator	4,561,771	30,124,535
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [X]

5.2 If no, explain:
The Company is not required by statute or by the District of Columbia, Office of Managed Care, to have stop-loss insurance.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical $ 0
5.32 Medical Only $ 0
5.33 Medicare Supplement $ 0
5.34 Dental & Vision $ 0
5.35 Other Limited Benefit Plan $ 0
5.36 Other $ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Medicaid providers are subject to hold harmless regulation.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 3,750
8.2 Number of providers at end of reporting year 3,801

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months $ 0
9.22 Business with rate guarantees over 36 months $ 0

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses	$	0
10.22 Amount actually paid for year bonuses	$	1,875
10.23 Maximum amount payable withholds	$	0
10.24 Amount actually paid for year withholds	$	0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,	Yes [ ] No [X]
11.13 An Individual Practice Association (IPA), or,	Yes [ ] No [X]
11.14 A Mixed Model (combination of above)?	Yes [X] No [ ]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth. District of Columbia

11.4 If yes, show the amount required. $ 5,143,921

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation

Greater of $1,000,000 or Premium Revenues, first $150M at 2% and over $150M at 1%, or uncovered expenditures, or 8% of FFS and hospital non-contracted costs, except those paid on a capitated basis, and 4% of contracted hospital costs per DT ST 31-3412 2 (A, B, C, & D i, ii).

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
District of Columbia

13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $ 0

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of funds administered as of the reporting date. $ 0

FIVE-YEAR HISTORICAL DATA

		1 2013	2 2012	3 2011	4 2010	5 2009
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	21,595,792	64,385,980	68,896,523	54,234,368	31,811,873
2.	Total liabilities (Page 3, Line 24)	5,452,791	34,831,537	44,351,111	35,957,572	19,236,949
3.	Statutory surplus	5,143,921	12,134,895	11,159,454	7,891,766	4,685,770
4.	Total capital and surplus (Page 3, Line 33)	16,143,001	29,554,443	24,545,412	18,276,796	12,574,924
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	117,527,147	202,955,552	180,131,975	131,191,895	71,335,766
6.	Total medical and hospital expenses (Line 18)	86,177,674	177,749,520	178,476,241	122,622,352	72,939,051
7.	Claims adjustment expenses (Line 20)	7,815,810	8,610,674	6,274,038	5,332,881	1,966,356
8.	Total administrative expenses (Line 21)	6,550,503	17,247,183	17,026,051	10,586,217	6,496,253
9.	Net underwriting gain (loss) (Line 24)	16,983,160	4,794,175	(22,574,676)	(10,846,974)	(9,384,154)
10.	Net investment gain (loss) (Line 27)	220,980	120,710	7,575	16,387	41,053
11.	Total other income (Lines 28 plus 29)	0	0	0	12,845	0
12.	Net income or (loss) (Line 32)	11,355,094	5,216,828	(15,063,196)	(8,346,634)	(5,875,911)
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	(15,984,187)	(5,421,695)	(4,359,005)	4,315,844	3,223,341
	Risk-Based Capital Analysis					
14.	Total adjusted capital	16,143,001	29,554,443	24,545,412	18,276,796	12,574,924
15.	Authorized control level risk-based capital	3,766,377	7,268,350	7,307,816	5,248,584	3,431,984
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	0	56,114	55,098	54,659	28,330
17.	Total members months (Column 6, Line 7)	350,049	669,076	646,926	546,825	340,900
	Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18.	Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19.	Total hospital and medical plus other non-health (Lines 18 plus Line 19)	73.3	87.6	99.1	93.5	102.2
20.	Cost containment expenses	3.9	2.7	2.5	2.8	2.0
21.	Other claims adjustment expenses	2.7	1.5	1.0	1.2	0.8
22.	Total underwriting deductions (Line 23)	85.5	97.6	112.5	108.3	113.2
23.	Total underwriting gain (loss) (Line 24)	14.5	2.4	(12.5)	(8.3)	(13.2)
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	27,254,967	21,693,242	21,283,962	8,155,583	9,416,763
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	29,300,772	31,847,335	27,879,929	16,037,528	11,668,908
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30.	Affiliated mortgage loans on real estate	0	0	0	0	0
31.	All other affiliated	0	0	0	0	0
32.	Total of above Lines 26 to 31	0	0	0	0	0
33.	Total investment in parent included in Lines 26 to 31 above.	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
	States, etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama AL	N	0	0	0	0	0	0	0	0
2.	Alaska AK	N	0	0	0	0	0	0	0	0
3.	Arizona AZ	N	0	0	0	0	0	0	0	0
4.	Arkansas AR	N	0	0	0	0	0	0	0	0
5.	California CA	N	0	0	0	0	0	0	0	0
6.	Colorado CO	N	0	0	0	0	0	0	0	0
7.	Connecticut CT	N	0	0	0	0	0	0	0	0
8.	Delaware DE	N	0	0	0	0	0	0	0	0
9.	District of Columbia DC	L	6,308,901	0	113,452,301	0	0	0	119,761,202	0
10.	Florida FL	N	0	0	0	0	0	0	0	0
11.	Georgia GA	N	0	0	0	0	0	0	0	0
12.	Hawaii HI	N	0	0	0	0	0	0	0	0
13.	Idaho ID	N	0	0	0	0	0	0	0	0
14.	Illinois IL	N	0	0	0	0	0	0	0	0
15.	Indiana IN	N	0	0	0	0	0	0	0	0
16.	Iowa IA	N	0	0	0	0	0	0	0	0
17.	Kansas KS	N	0	0	0	0	0	0	0	0
18.	Kentucky KY	N	0	0	0	0	0	0	0	0
19.	Louisiana LA	N	0	0	0	0	0	0	0	0
20.	Maine ME	N	0	0	0	0	0	0	0	0
21.	Maryland MD	N	0	0	0	0	0	0	0	0
22.	Massachusetts MA	N	0	0	0	0	0	0	0	0
23.	Michigan MI	N	0	0	0	0	0	0	0	0
24.	Minnesota MN	N	0	0	0	0	0	0	0	0
25.	Mississippi MS	N	0	0	0	0	0	0	0	0
26.	Missouri MO	N	0	0	0	0	0	0	0	0
27.	Montana MT	N	0	0	0	0	0	0	0	0
28.	Nebraska NE	N	0	0	0	0	0	0	0	0
29.	Nevada NV	N	0	0	0	0	0	0	0	0
30.	New Hampshire NH	N	0	0	0	0	0	0	0	0
31.	New Jersey NJ	N	0	0	0	0	0	0	0	0
32.	New Mexico NM	N	0	0	0	0	0	0	0	0
33.	New York NY	N	0	0	0	0	0	0	0	0
34.	North Carolina NC	N	0	0	0	0	0	0	0	0
35.	North Dakota ND	N	0	0	0	0	0	0	0	0
36.	Ohio OH	N	0	0	0	0	0	0	0	0
37.	Oklahoma OK	N	0	0	0	0	0	0	0	0
38.	Oregon OR	N	0	0	0	0	0	0	0	0
39.	Pennsylvania PA	N	0	0	0	0	0	0	0	0
40.	Rhode Island RI	N	0	0	0	0	0	0	0	0
41.	South Carolina SC	N	0	0	0	0	0	0	0	0
42.	South Dakota SD	N	0	0	0	0	0	0	0	0
43.	Tennessee TN	N	0	0	0	0	0	0	0	0
44.	Texas TX	N	0	0	0	0	0	0	0	0
45.	Utah UT	N	0	0	0	0	0	0	0	0
46.	Vermont VT	N	0	0	0	0	0	0	0	0
47.	Virginia VA	N	0	0	0	0	0	0	0	0
48.	Washington WA	N	0	0	0	0	0	0	0	0
49.	West Virginia WV	N	0	0	0	0	0	0	0	0
50.	Wisconsin WI	N	0	0	0	0	0	0	0	0
51.	Wyoming WY	N	0	0	0	0	0	0	0	0
52.	American Samoa AS	N	0	0	0	0	0	0	0	0
53.	Guam GU	N	0	0	0	0	0	0	0	0
54.	Puerto Rico PR	N	0	0	0	0	0	0	0	0
55.	U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	0
56.	Northern Mariana Islands MP	N	0	0	0	0	0	0	0	0
57.	Canada CAN	N	0	0	0	0	0	0	0	0
58.	Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal	XXX	6,308,901	0	113,452,301	0	0	0	119,761,202	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61.	Total (Direct Business)	(a) 1	6,308,901	0	113,452,301	0	0	0	119,761,202	0
	DETAILS OF WRITE-INS									
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

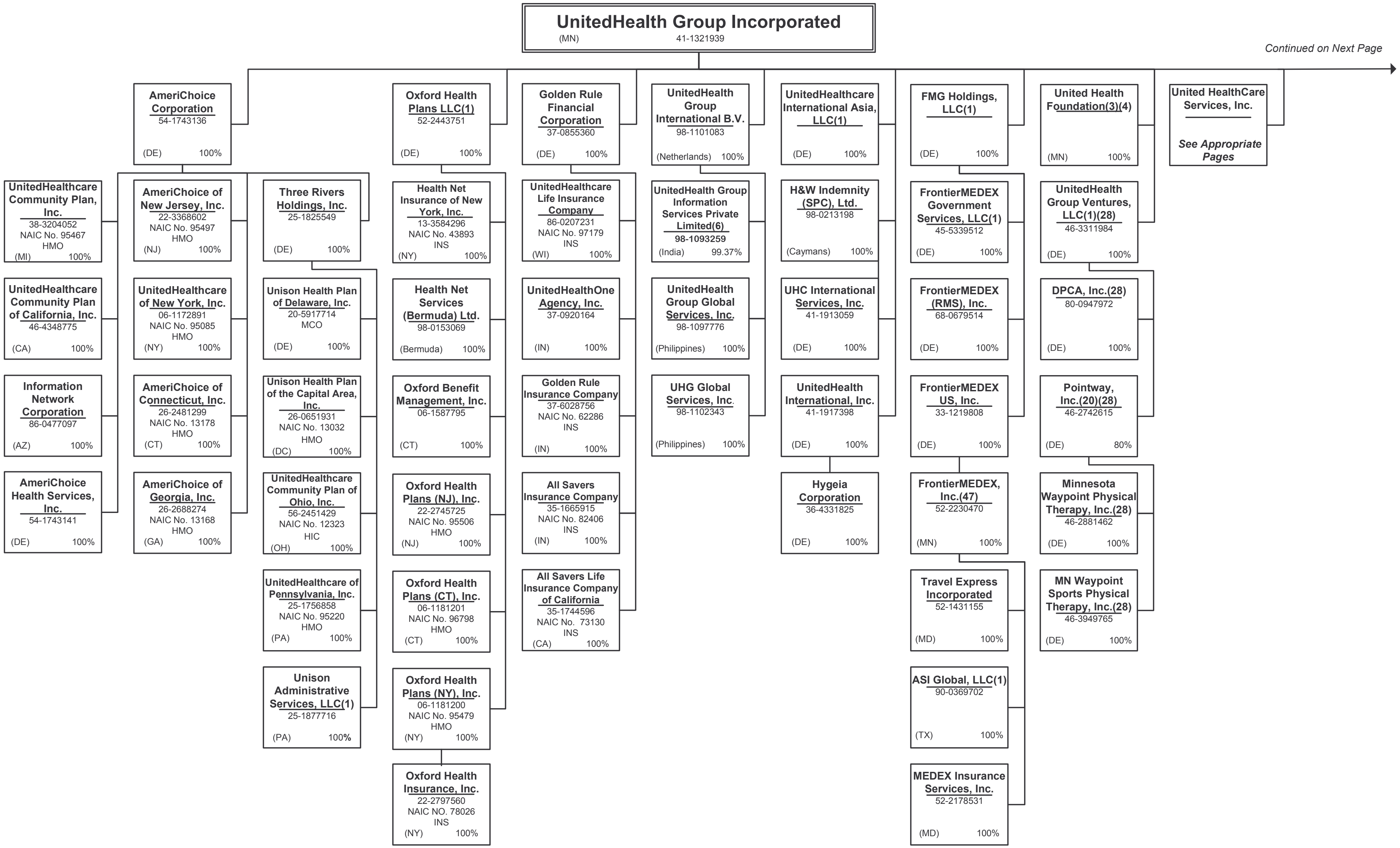
Explanation of basis of allocation by states, premiums by state, etc.

Premiums allocated by state based upon Geographic Market.

(a) Insert the number of L responses except for Canada and Other Alien.

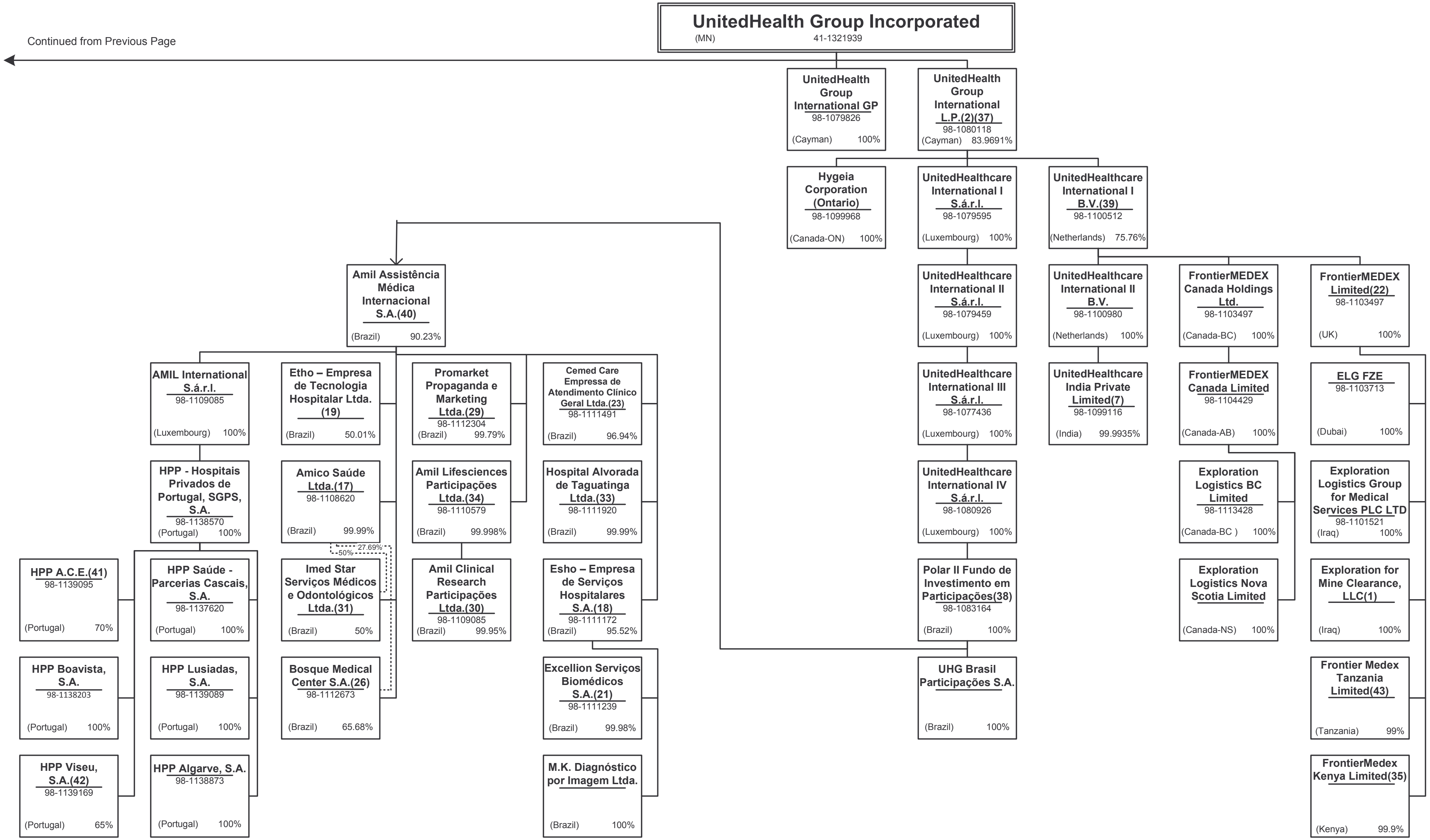
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



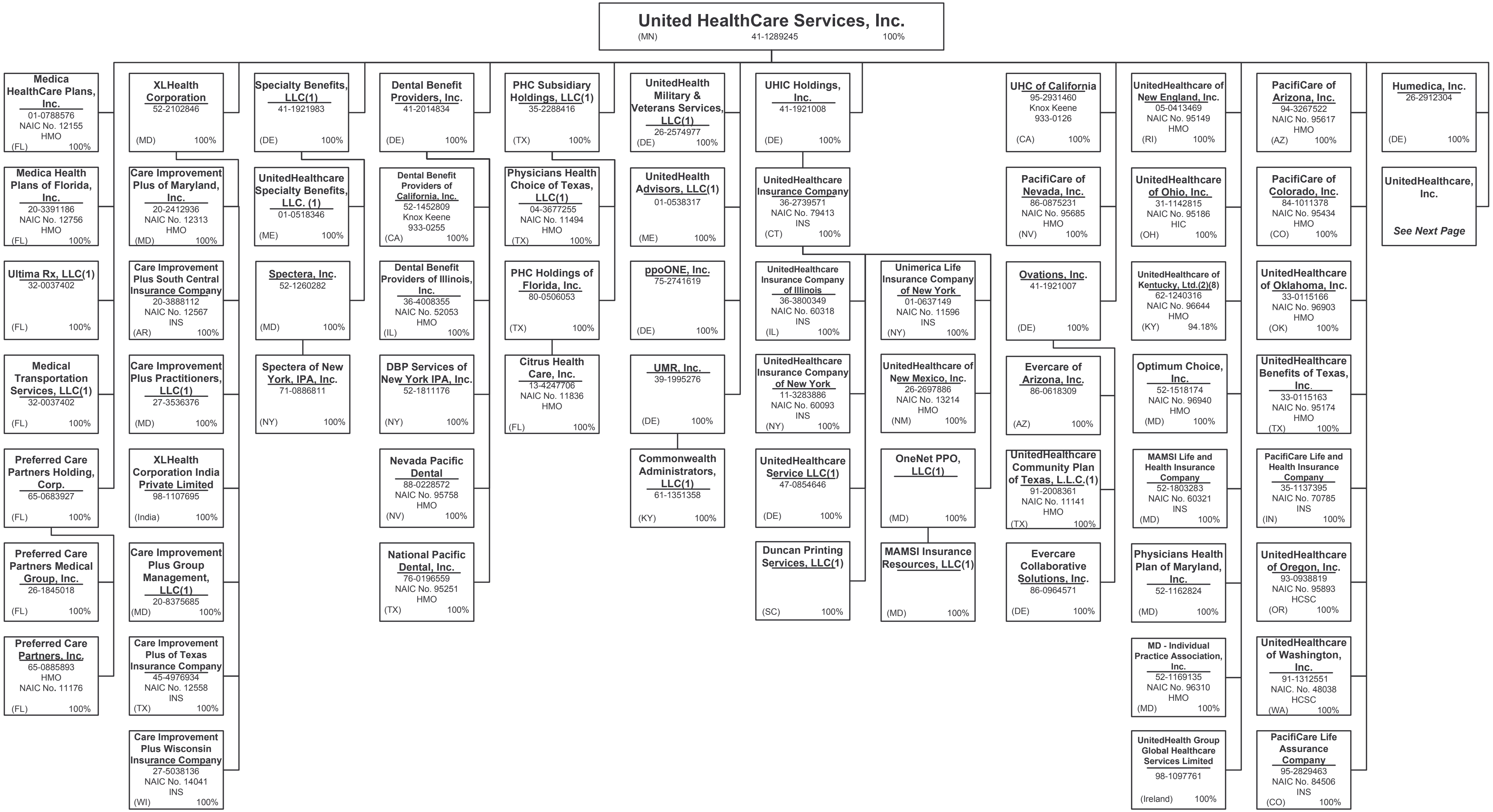
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



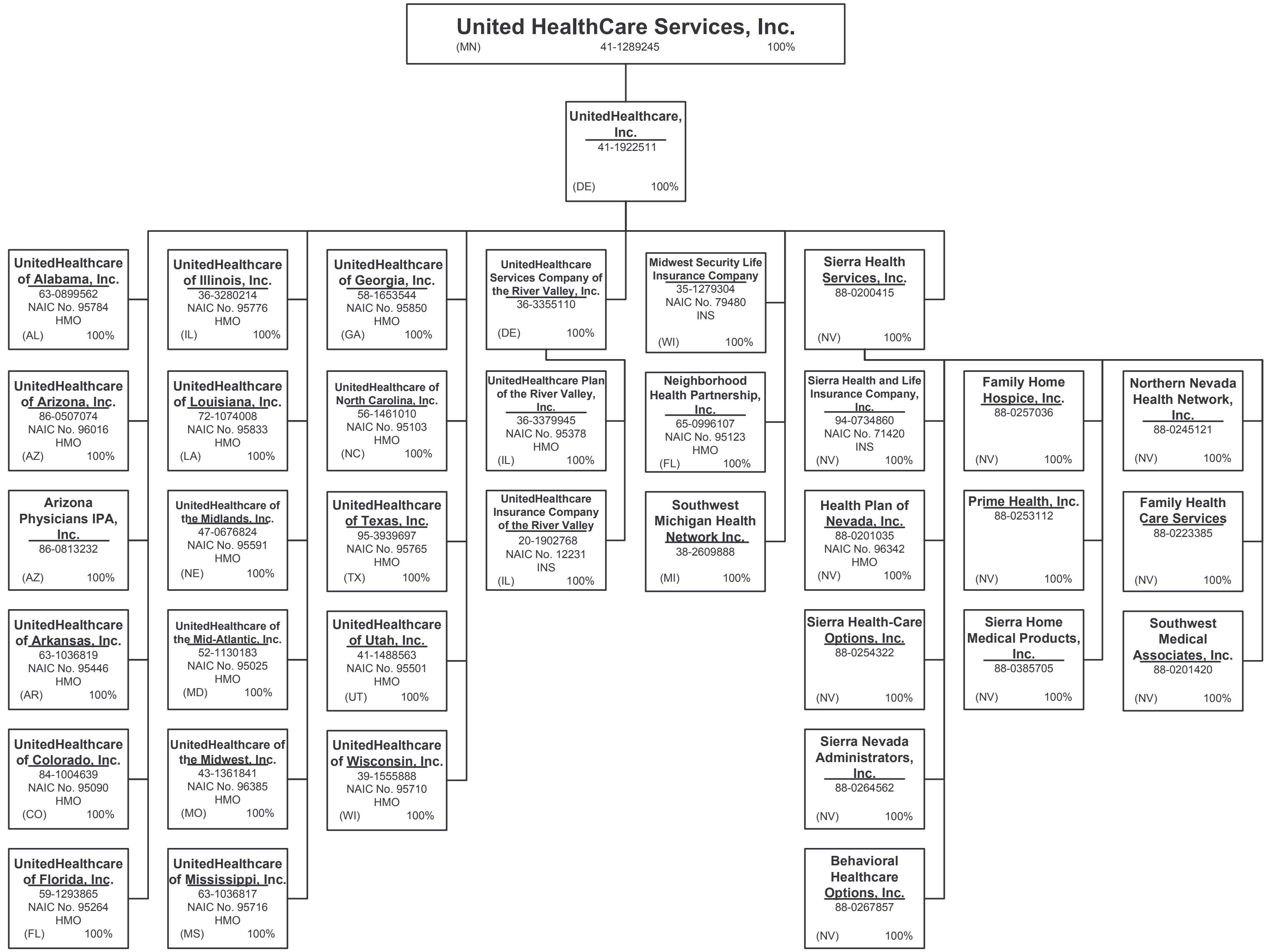
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



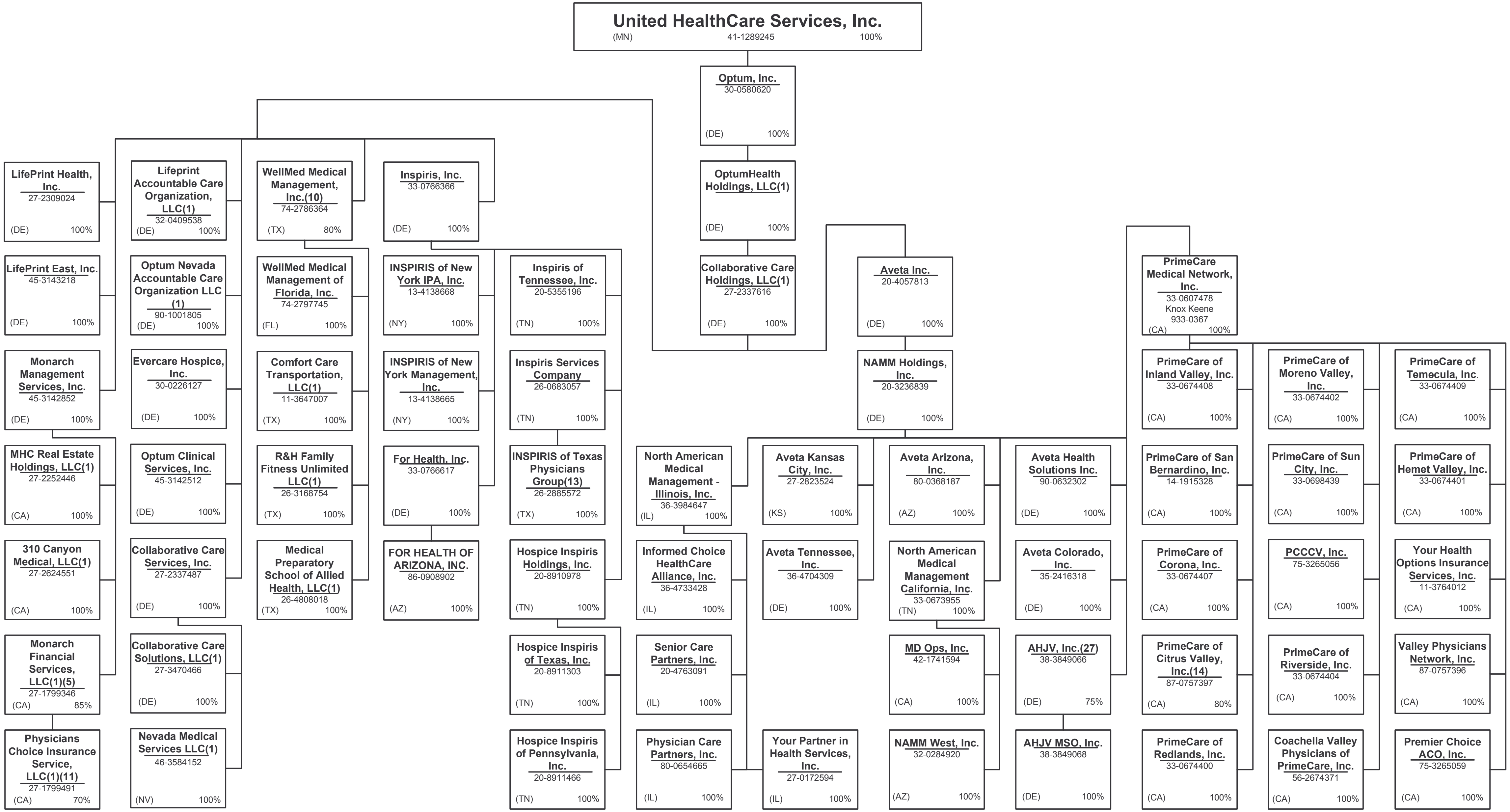
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

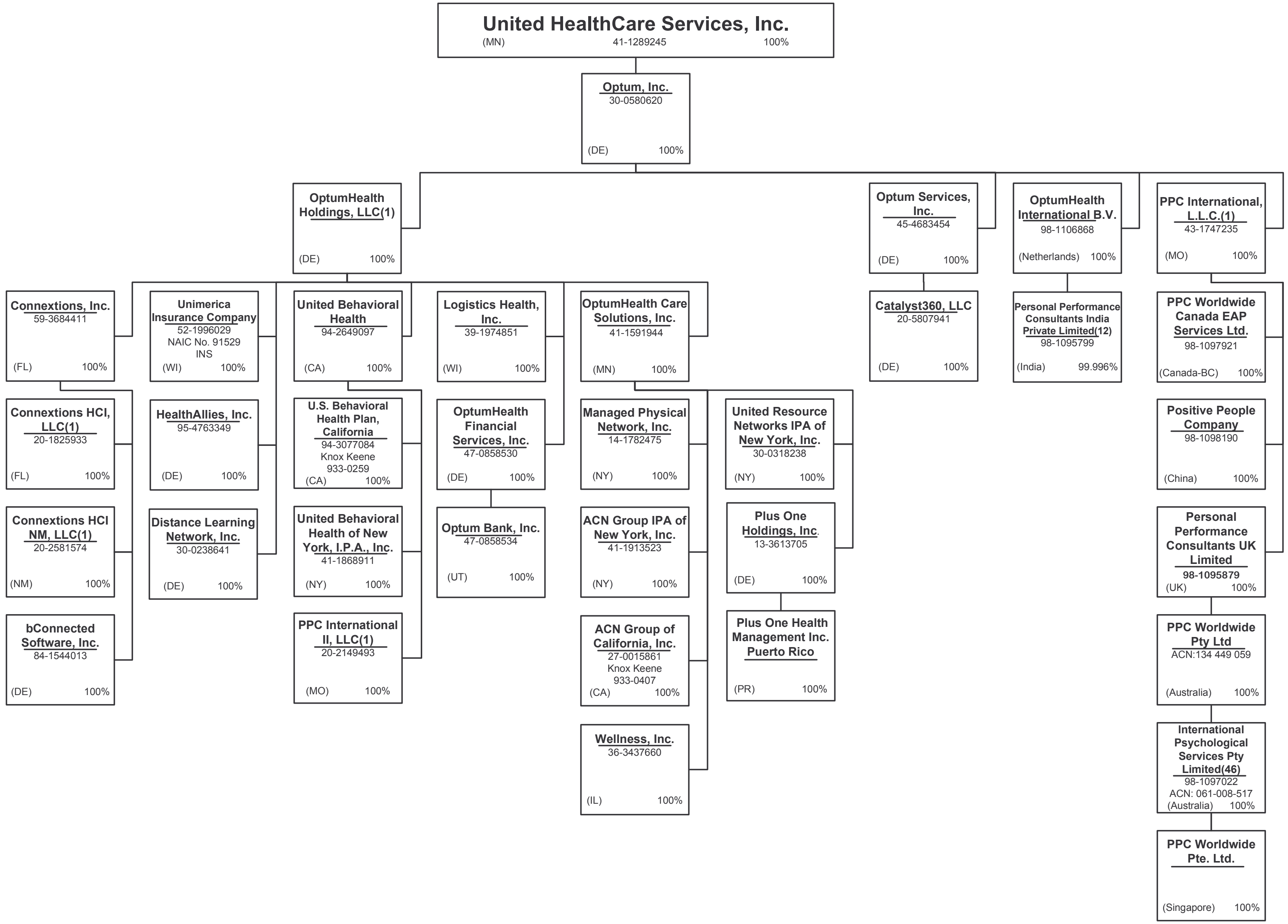
PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Unison Health Plan of the Capital Area, Inc.

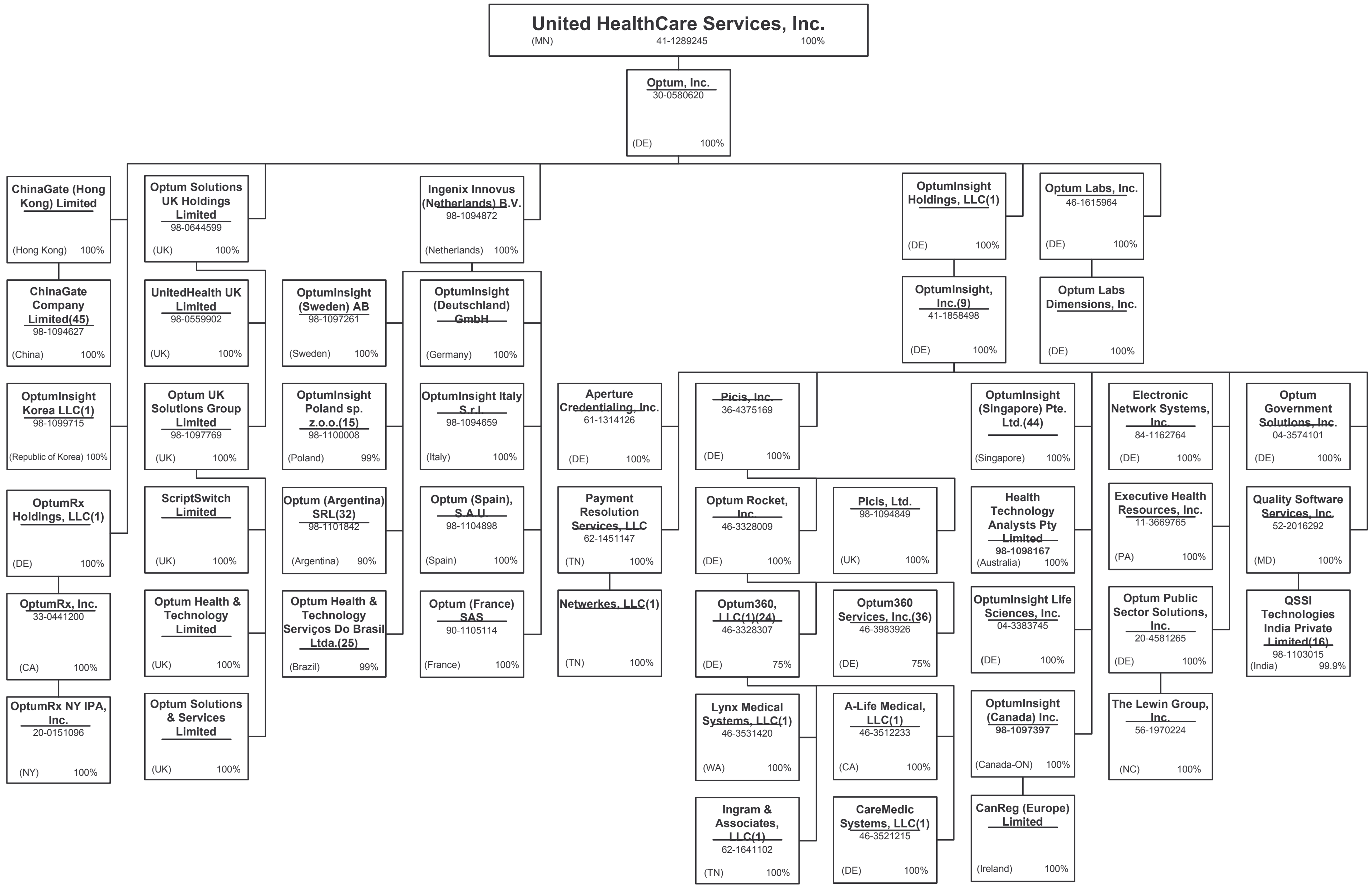
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) Monarch Financial Services, LLC is 85% owned by Monarch Management Services, Inc. and 15% owned by external shareholders.

(6) UnitedHealth Group Information Services Private Limited is 99.37% owned by UnitedHealth Group International B.V.. The remaining 0.63% is owned by UnitedHealth International, Inc.

(7) United Healthcare India Private Limited is 99.9935% owned by UnitedHealthcare International II B.V. and 0.0048% owned by UnitedHealth International, Inc.

(8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.

(9) Branch office located in Abut Dhabi, UAE.

(10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.

(11) Physicians Choice Insurance Service, LLC is 70% owned by Monarch Financial Services, LLC and 30% owned by external shareholders.

(12) Personal Performance Consultants India Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.

(13) INSPIRIS of Texas Physicians Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.

(14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.

(15) OptumInsight Poland sp. z.o.o. is 99% owned by Ingenix Innovus (Netherlands) B.V. The remaining 1% is owned by OptumInsight, Inc.

(16) QSSI Technologies India Private Limited is 99.9% owned by Quality Software Services, Inc. and 0.1% owned by an Indian citizen.

(17) Amico Saúde Ltda. is 99.99% owned by Amil Participações S.A. and the remaining percent is owner by and officer of Amil.

(18) Esho – Empresa de Serviços Hospitalares S.A is 95.52% owned by Amil Assistência Médica Internacional S.A.; 2.84% owned by Amico Saúde Ltda.; 0.0001% owned by Treasury Shares and 1.62% owned by external shareholders.

(19) Etho – Empresa de Technologia Hospitalar Ltda. 50.01% owned by Amil Assistência Médica Internacional S.A.and 49.99% owned by an external shareholder.

(20) Waypoint Holdings is 80% owned by UnitedHealth Group Ventures, LLC and 20% owned by external shareholders.

(21) Excellion Serviços Biomédicos S.A.is 99.98% owned by Esho – Empresa de Serviços Hospitalares S.A and 0.02% owned by external shareholders.

(22) Branch offices in Iraq and Uganda.

(23) Cemed Care Empressa de Atendimento Clínico Geral Ltda. Is 96.94% owned by Amil Assistência Médica Internacional S.A., 2.54% owned by Amico Saúde Ltd. and 0.53% owned by ASL Assistência a Saúde Ltda.

(24) Optum 360, LLC is 75% owned by Optum Rocket, Inc. and 25% owned by an external interest holder.

(25) Optum Health & Technology Serviços Do Brasil Ltda. is 99% owned by Ingenix Innovus (Netherlands) B.V. and 1 % owned by OptumInsight, Inc.

(26) Bosque Medical Center S.A. is 65.68% owned by Amil Assistência Médica Internacional S.A.; 27.69% owned by Amico Saúde Ltd. and 6.64% owned by Esho – Empresa de Serviços Hospitalares S.A..

(27) AHJV, Inc. is 75% owned by NAMM Holdings, Inc. and 25% owned by Humana, Inc.

(28) Entity is majority-owned by UHG or one of its affiliates. Corporate secretarial services for this entity are the responsibility of the portfolio company.

(29) Promarket Propaganda e Marketing Ltda.is 99.79% owned by Amil Assistência Médica Internacional S.A and 0.21% owned by Amico Saúde Ltd.

(30) Amil Clinical Research Participações Ltda. is 99.95% owned by Amil Lifesciences Participações Ltda. and .05% owned by an officer of Amil.

(31) Imed Star Serviços Médicos e Odontológicos Ltda.is 50% owned by Amil Assistência Médica Internacional S.A and 50% owned by Amico Saúde Ltd.

(32) Optum Argentina is 90% owned by Ingenix Innovus (Netherlands) BV and 10% owned by ScriptSwitch Holdings Limited.

(33) Hospital Alvorada Taguatinga Ltda. Is 99.99% owned by Amil Assistência Médica Internacional S.A. and the remaining percent is owned by an officer of Amil.

(34) Amil Lifesciences Participações Ltda. Is 99.998% owned by Amil Assistência Médica Internacional S.A and the remaining 0.002% is owned by an officer of Amil.

(35) FrontierMedex Kenya Limited is 99.9% owned by FromtierMEDEX Limited and 0.1% owned by a director of Frontier Medex Kenya Limited.

(36) Optum360 Services, Inc. is 75% owned by Optum Rocket, Inc. and 25% owned by an external interest holder.

(37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (15.8303%), Hygeia Corporation (DE) (0.2006%) and UnitedHealth Group Incorporated (83.9691%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P..

(38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.

(39) UnitedHealthcare International I, B.V. is 75.76% owned by UnitedHealth Group International L.P. and 24.24% owned by UnitedHealth Group International B.V.

(40) Amil Assistência Médica Internacional S.A. is 90.23% owned by Polar II Fundo de Investimento em Participações and the remaining 9.77% is owned by the former controlling shareholders of Amil Participações S.A.

(41) HPP A.C.E. is 70% owned by HPP - Hospitais Privados de Portugal, SGPS, S.A. The remaining 30% is owned by (1) HPP Boavista, S.A.,(2) HPP Lusiadas, S.A., (3) HPP Algarve, S.A., (4) HPP Saúde - Parcerias Cascais, S.A., and (5) HPP Viseu, S.A.; each owning 6%.

(42) HPP Viseu, S.A. is 65% owned by HPP - Hospitais Privados de Portugal, SGPS, S.A.. The remaining 35% is jointly owned VISABEIRA Saúde - Serviços de Saúde, S.A.,VISABEIRA Participações Financeiras, SGPS, S.A., VISABEIRA Investimentos Financeiros SGPS, S.A. and Ciclorama - Estudos, Projectos e Produções, Lda.

(43) Frontier Medex Tanzania Limited is 99% owned by FrontierMEDEX Limited. The remaining 1% is owned by an officer of FrontierMEDEX Limited.

(44) Branch office located in Taiwan

(45) Liaison office located in Beijing.

(46) Branch office located in Hong Kong.

(47) Representative office in Beijing

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. Miscellaneous Losses	(8)	(6)	(8)	0	(22)
2505. Professional Fees\Consulting	1,452	1,007	1,414	0	3,873
2506. Sundry General Expenses	541,127	375,293	527,234	0	1,443,654
2597. Summary of remaining write-ins for Line 25 from overflow page	542,571	376,294	528,640	0	1,447,505

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)